



PLANNING AND DEVELOPMENT

SPEECHES OF

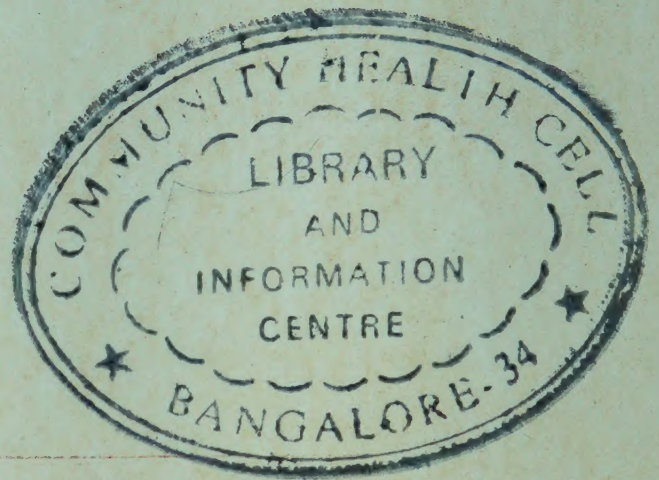
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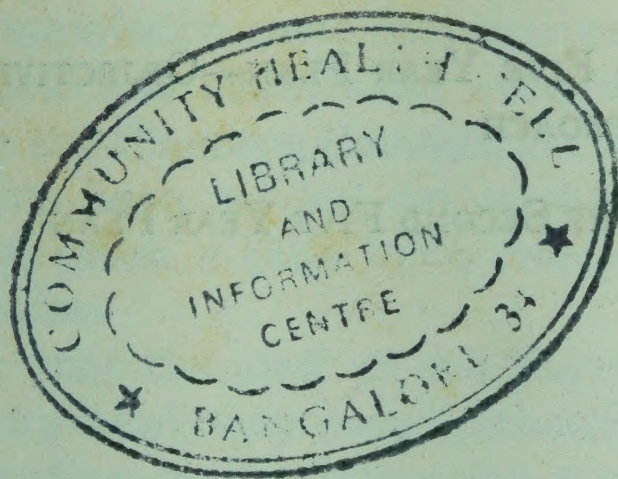
Ph : 2553 15 18 / 2552 5372

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PLANNING AND DEVELOPMENT

Speeches of
JAWAHARLAL NEHRU
(1952-56)



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CONTENTS

1.	THE FIRST FIVE YEAR PLAN	3
2.	THE NATIONAL PLAN LOAN	13
3.	THE ROLE OF PRIVATE ENTERPRISE	15
4.	THE SOCIALISTIC PATTERN	..	..	21
5.	THE PUBLIC AND THE PRIVATE SECTORS	..	..	24
6.	INDIA'S PLANNED EFFORT	..	..	30
7.	LONG AND SHORT-TERM PLANNING	..	..	35
8.	APPROACH TO THE SECOND PLAN	..	..	42
9.	THE SECOND FIVE YEAR PLAN—OBJECTIVES AND APPROACH	..	..	48
10.	DEBATE ON THE SECOND FIVE YEAR PLAN		..	56

THE FIRST FIVE YEAR PLAN

Sir, I move that this House records its general approval of the principles, objectives and programme of development contained in the Five Year Plan as prepared by the Planning Commission.

In moving this resolution, I have a feeling of the stage of one journey being completed and of another begun. This second journey involves a much harder duty and more difficult work, but we have to undertake it with pleasure and devotion, because ultimately there are no resting places on the journey we have undertaken.

So far as the present plan is concerned, it may be said to have begun about two and a half years ago, when the Planning Commission came into existence, though much preliminary work was undertaken even earlier. My own connection with the Planning Commission has been intimate, but the work has been carried out in the main by others. I can, therefore, speak a little more freely about the work of this Commission.

I must say that the staff of the Planning Commission have worked very hard, very conscientiously and with something of a crusading zeal in preparing this plan. I should like, therefore, to pay my tribute to them.

In considering the work of the Commission we need not agree with each particular chapter or part of the Report. Their work has, in a sense, been of a unique nature, for, though planning has been in fashion for over twenty years, since the first Five Year Plan of the Soviet Union came into the field, it was never tried in a democratic set-up.

A democratic set-up necessarily involves some pro-

cedural delays. But these are more than made up by the firm foundations on which it builds up its superstructure. It also gives due dignity to the individual.

The draft Plan was produced about a year ago and it was generally approved by Parliament and the country at large. It was also criticised in parts and to that extent the Planning Commission has benefited by several constructive suggestions. It would be wrong to call the Plan the result of the efforts of five or six members of the Planning Commission. Various organisations, parties, States and sections of public opinion have taken a prominent part in its formulation. It can, therefore, be called the outcome of the joint efforts of a large part of the nation.

In finalising the framework of the Plan, the Planning Commission had to reckon with many difficult problems. Among these were the big size of the country, the federal structure of the government, the backward nature of the country, a new social consciousness among the people, the urge to go forward at a rapid pace and the limited nature of our resources. In tackling these problems, we could not draw upon the experience of the other countries, except in a general way, for, by and large, our problems are quite peculiar to our land. We have to find a solution which can fit in with the mental make-up of our people. And when I ponder on these large questions, I forget, for a moment, these two heavy and fat volumes of the Report of the Planning Commission before me, and something much vaster comes before my eyes—the mighty theme of a nation building itself, remaking itself, and of all of us working together to make a new India. That is a big job, for it involves 360 million people of India, going forward as individuals or as members of groups.

We are trying to catch up to-day with the Industrial Revolution which came to the western countries long years ago and made great changes in the course of a century or more and which ultimately branched off in two directions, one represented by the very high degree of technological development of the United States and the other by the Soviet Union. Both these patterns are, in fact, branches of the

same tree, even though they may look very different. This Industrial Revolution has a long history behind it. We would be wise not to repeat the errors committed in its earlier stages, we would be wise to profit by them.

We talk in terms of industrialisation. It is obvious to me that we have to industrialise India, and as rapidly as possible; and, when I talk of industrialisation I include in it all kind of industries—major, middle and small, village and cottage. Obviously enough though, even the biggest step we might take in this direction can absorb only a small part of the population of this country in the next ten, twenty or even thirty years. The question arises as to how the remaining hundreds of millions of people are to be employed. This naturally brings us to the importance of cottage industries. May I say in this connection that the argument which is often advanced about big industry versus cottage and village industry is rather misconceived. I have no doubt at all that without the development of major industry we cannot raise the level of existence in this country. In fact, I go even a step further and say, we cannot remain a free country without heavy industries, for they are essential for our defence. But then we have to remember that major industries do not solve the problem of unemployment among the hundreds of millions of this country. For that we will have to depend more and more on village and cottage industries and develop them on a large scale.

We have to remember that we cannot set aside the human factor. We do want more production, but more than that, we want better human beings. In other countries this aspect of the question has not had due attention. In our own country, we must try to avoid such mistakes. We want a plan of integrated economic growth of the country, a plan in which the individual grows with his society. And we want to achieve this result within the framework of a political democracy, and if it cannot yield these results, it will have to make way for some other form of economic or social structure.

We must remember that democracy is ceasing to have that particular significance which it had, say, in the 19th

century. Without an economic content, it no longer has any meaning. If there is great inequality in the country, all talk of political democracy, adult suffrage and the like is meaningless. Therefore, our objective has to be economic democracy or the ending of all great differences between class and class. We have to bring about greater equality with a view ultimately to achieving the ideal of classless society. This ideal may appear very far off yet, but we have to keep it in view.

It is clear that so far as this country is concerned, we cannot attain this ideal by conflict and violence. We have achieved many things by the way of peace and there is no particular reason why we should give that up and take to violent ways. There is a very particular reason why we should not do so, because, however high our ideals and objectives may be, if we try to attain them by methods of violence, matters will be very greatly delayed. It will contribute to the growth of the very evils that we are fighting against. India is not only a big country, but a varied country, and if anyone takes to the sword, he will inevitably be met by the sword of someone else. Therefore, it becomes a clash between swords, and all the limited energies of the nation required for better ends will be destroyed in the process.

Now, the method of peaceful progress is ultimately the method of democratic progress. Democracy does not merely mean giving votes to all; its ultimate goal is economic democracy which means putting an end to the great differences between the rich and the poor, the people who have opportunities and those who have none or very little. In the ultimate analysis, everything that comes in the way of the achievement of this aim must be removed—removed in a friendly way; removed in a co-operative way; removed by State pressure; removed by law—because nothing should be allowed ultimately to come in the way of our achieving that social objective.

So, a plan of this type is not merely the putting up of a number of factories here and there, or showing greater production piecemeal. All this is necessary, of course, but

something more with a deeper significance, something aiming at a certain kind of structure of society has gradually to be developed. Of course, you and I cannot lay down what will happen or what the next generation is to do. You and I cannot even say what the next generation will be like. In these days of very rapid technological advance, no man knows what the world will be like even a short time hence. We are technologically backward. Therefore, sometimes, when we discuss big problems, we discuss them in a rather static way forgetting that the very ground underneath our feet is changing and slipping away. Unless we move with it, we may tumble down or be left behind. We are not emotionally aware of what is happening from day to day in the field of technology. It may well be that in the course of the next ten or twenty years, this technological advance may change the whole aspect of things in the world, and that will affect the life of human beings tremendously. It will affect their thinking. It will affect their economic structure. It will affect their social structure. Ultimately, it must affect their political structure also. Anything may happen. We cannot bind the future, but for the present, we have to deal with facts as they are.

I mention these broad factors, so that our minds may be inspired by that dynamic quality and vision which not only the average layman, but even our experts—economists and planners—lack. They have become static in their approach. I see no mighty change in their outlook. We talk of revolutions and think of them as processes in which we can perhaps break each other's heads. These are no revolutions. They are at best side shows. A revolution is something which will change fundamentally the structure of our society either in the political or economic field. It is with this background in our minds that we must consider this first attempt of ours to make a plan.

Now, I do not say that this Plan is perfect. It can be criticised from numerous points of view, and I have no doubt that the Planning Commission will profit by such criticism. May I say that we should look at the Plan from a broader angle and not merely with a critical eye. We must remem-

ber that it is the first attempt of its kind to bring the whole picture of India—agricultural, industrial, social, and economic—into one framework of thinking. That is a very important thing. Even if it is wrong in parts, it is a tremendous achievement. It has made the whole country “planning conscious”. It has made us realise mentally and emotionally that we are a united nation. We tend to go off at a tangent and think along narrow provincial, communal, religious or caste lines. We have no emotional awareness of the unity of our country. Our Plan has challenged us to think in terms of the good of the nation as a whole apart from the separate problems which we have to face in respect of our villages, districts or provinces. Therefore, the mere act of framing this plan and of having produced this report is something for which we can congratulate ourselves.

We might remember that when we talked about planning two or three years ago, powerful voices were raised against it. It was said that planning should confine itself just to helping industry by tariffs, by subsidies, and so on. It should not interfere with the economy in any other way. While the essence of planning is some kind of controlled economy, our present plan only talks about a public and a private sector. Now, the private sector must function within controls in numerous ways. It may be controlled in regard to the dividends and the profits that it makes, but that is not enough. We have to control the strategic points of the economy of the country, for example banking and insurance. The Planning Commission has not laid down any details in this respect but it has said that these are important matters and steps will have to be taken to bring them under some form or other of control so as to fit them in more and more within the purview and sphere of a controlled economy.

It will thus be seen that many details have not been filled in the Plan. These will be worked out as the plan advances. The best of us can only see dimly into the future. We can proceed only by analogy. We can proceed only by past experience. For we have to remember that, in plan-

ning, we do not deal with steel and cement and things that can be measured, but with 360 million individual human beings in India, each different from the other. We can proceed only by the method of trial and error. I have no doubt in my mind that when the time comes for the Second Five Year Plan, we shall be in a far better position to work out the details on the basis of the experience gained in the first Plan period. The second Plan will, therefore, be much more effective and far-reaching. It will be based on greater knowledge, and derived not from theory but from practice.

We have also to remember that though we call this our first Plan, a Five Year Plan, two of its five years are already over. Therefore, it is really a plan for the next three years or so. We started formulating this Plan with certain inherent limitations. Our resources were tied up with certain undertakings already in an advanced stage of execution. We had to plan with the balance of the resources left and to make the best of the bargain.

So the First Five Year Plan is actually already in action. It is essentially a preparatory plan for greater and more rapid progress in the future. If we build our foundations well, the second Plan should proceed at a much faster pace.

We talk about industrialisation. In the earlier chapters of the Report certain figures were given regarding the allocation of resources to industry, agriculture, social services, transport and the rest. Industry does not seem to come off very well here. Agriculture takes a great deal. Irrigation also takes a very big sum. We attach the greatest importance to industry, but in the present context of things, we attach greater importance to agriculture and food. For if we do not have a strong agricultural foundation for our economy, then the industry we seek to build will have unstable foundations. Apart from this, in the context of the present circumstances, if our food front cracks, everything else also cracks. So, we have to maintain a strong food front; we dare not weaken it. If our agriculture is strongly entrenched, as we hope it will be after some time, then everything should become relatively easy and we can go ahead faster on the industrial front. On the other hand if

we go faster in regard to industry now and leave agriculture in a weak condition, we ultimately weaken industry. Therefore, we have given the first attention to agriculture and food and I think it is quite essential in a country like India at the present moment.

But this stress on agriculture does not mean that industries have been neglected altogether. Certain basic industries have been thought of and brought in. Then, the basic thing for the development of industry, i.e. power has been given adequate attention. A large number of hydro-electric and multi-purpose river valley schemes have been planned and these are likely to yield sufficient energy for the rapid industrialisation of the country in future.

I do not propose to go through these two big volumes of the Report of the Planning Commission in my preliminary remarks. I have no doubt that the Hon. Members will be studying them with great care, and will make their suggestions in the course of the debate. May I suggest, with all respect, that the earlier chapters of the report might be studied more carefully than the others and might be dealt with in greater detail in the debate. These chapters lay down the general approach, the principles, the objectives and the structure of the Plan. The rest, though very important, only deal with the details of the Plan. No Parliament can sit down to discuss these details or the priorities indicated. It can only lay down the objectives and the general structure of the Plan.

So, I submit, Sir, that in approaching this question we should bear these general principles and objectives in mind, and determine our method. In a way, we have already decided about the method which is nothing else than the democratic approach to the problem. Here I also wish to make it perfectly clear that our conception of democracy is not limited to political democracy. It is not the 'laissez faire' doctrine which died with the close of the nineteenth century. This doctrine is totally unsuited to the conditions of the world today. In any event, so far as we in India are concerned, we reject it completely. We are not going to have anything to do with it.

That does not mean, of course, that the State is taking charge of everything, because we still have a public sector and a private sector. But, as I said, the private sector has to fit in with controlled economy. In that sense its freedom of enterprise will be somewhat restricted. Now, in this context, I would ask this House to consider this plan.

This Plan—I am not going into details or figures—provides for an investment of two thousand odd crores of rupees—several hundreds of crores more than provided for in the Draft Plan. There is a big gap between the estimate of our resources and the proposed investment. Perhaps it may be possible for us to find some more resources. We may get help from outside; we have got some already. Some Hon. Members have occasionally expressed a certain fear that this outside help may interfere with our freedom of action. Something may be said in favour of this point of view and more so if we depend on outside authorities for military aid.

But having said that, I really do not see why we should be afraid of external aid in the economic sphere if we are strong enough ourselves, and the aid helps us to go ahead more rapidly. After all, almost every country has had to have help from outside sources at some time in the past to make progress and there appears to be no particular reason why we should refuse it, all the more so when we know that it is not going to influence our policy or our activities in the slightest.

Sir, it is late now and this subject is a very important one. I intended my remarks to serve only as a preamble to the consideration of this voluminous report. I did not want to go into the details of the matter. I have no doubt that in the course of this debate many points will arise which may be dealt with by me or my colleagues at a later stage. But I would like to impress upon this House the feeling that we are all engaged in a tremendous task which does not merely require our united efforts but the enthusiasm and the zeal of a crusading spirit. I have no doubt that after this House accepts this report, and when all of us go to our respective constituencies and other parts of the country, we

will carry this message from Parliament, and try to work it out. That will transform this Plan from a paper scheme into something which is gradually rising and taking effect in the country. And as you do this, it may well be possible for us to overreach this Plan and go further ahead than even the Planners laid down.

THE NATIONAL PLAN LOAN

The Government of India have announced an issue of the National Plan Loan, for which subscriptions will be received all over the country.

Both the Central and State Governments issue loans from time to time. The present issue of the National Plan Loan, however, is something different and very special. It is a national loan and it covers both the Central Government and the States. It is a loan especially meant for development purposes and for the fulfilment of the National Plan.

This loan is addressed to everyone in India. It is an invitation to all of us to join in this mighty adventure of building up new India. It is a way of showing that we shall stand on our own feet and not allow ourselves to be uprooted by the strong winds that might blow in upon us from any quarter. The strength of a nation ultimately depends on its economic and industrial development bringing not only greater production, but greater employment. All else flows from this. We are firmly resolved to build up our Nation and make India united, strong and prosperous, with friendship to all and malice to none.

The institutional investors, like banks and insurance companies and others, must, of course, give their massive support to this loan. But this is essentially a popular loan going down to the humblest amongst us, who should be as much a sharer in this great adventure as anyone else.

The world is full of talk and preparation for war and the latest symbol of this world of ours has become the

The Prime Minister's Appeal to the Nation to subscribe to the National Plan Loan made on April 12, 1954.

Hydrogen Bomb. Do we succumb to this tremendously powerful symbol of evil and destruction? Or do we decide to stand on our own feet and be true to our own principles and cultural inheritance? That is the question which each one of us has to put to himself and find an answer.

The answer is clear, but that answer has no meaning unless it is translated into terms of action, of building up India with all the resources that we possess, of money, of human intelligence and labour, and of the will for a great, united and cooperative effort.

We have much to do. But here, in this National Plan Loan, there is an opportunity for all of us to do something. I trust, therefore, that our people, whoever and wherever they may be, in State or district or tehsil or village, official or non-official, and to whatever group or creed or party they belong, will associate themselves with this loan and thus give their answer to the challenge of the time.

THE ROLE OF PRIVATE ENTERPRISE

Friends, I welcome you all here but feel somewhat overwhelmed on looking at these ranks of big planners.

I feel we have now arrived at a very definite stage of planning and in our work. Planning, of course, is a continuous process. We have the first Five Year Plan and will have a second, a third and a fourth Plan and so on. When we started this planning, it resulted in the first Plan, and now we have been working it for three years. Our achievements so far are quite creditable. They bear comparison with other countries. Of course, in doing so, we have to bear in mind our particular background. It is no good, for example, comparing our productive capacity with that of the United States of America or the United Kingdom or Soviet Russia. Conditions there are different. They have had a long run. But taking all things into consideration, I think we can say our achievements have been considerable. We have passed the food crisis; we have built a sounder economy; we have established a large number of big enterprises; we have set in motion river valley schemes, and done numerous other things. But at the same time, we have to remember that in the field of real planning, it is only a beginning. Planning does not merely mean giving priorities to things. It is something wider and deeper. We cannot plan unless we have adequate data. We do not have them yet; but we are in the process of collecting them. So in this sense I say that we are still in the preparatory stage.

Now, the first thing about planning is to have a definite picture of where we are going. This picture need not be

Speech delivered at the National Development Council Meeting on November 9, 1954.

very rigid. But we must have some specific and definite views about the structure of society we are aiming at. Shall we continue the present structure or shall we change it? The world is changing fast. It is now on the threshold of an atomic age. The atom bomb has released an enormous force whether for good or evil use. We have to be conscious of this change. I say so because we are on the whole a conservative people, not in the political or economic sense so much as in terms of social thinking.

As I was leaving China the other day, I said that the two most exciting countries to my thinking were India and China. They have different approaches in many matters, but they are also similar in certain spheres. As I flew over China, I thought, I might have been flying over the flood areas of Bihar; almost the same picture of vast floods in Bihar, Assam and North Bengal came before me. Both our countries are under-developed and poverty-stricken. Both are chiefly agricultural, though trying to industrialise themselves. Both have tremendous populations and myriads of problems. The way of solving these problems in the two countries may differ. What is important, however, is the way in which the Chinese people are changing the human will and taking it out of the static condition of mind and social habit which was its lot for aeons. We can emulate this example by developing a dynamic outlook of change in ourselves—change of every kind, political, economic and social.

All kinds of arguments are sometimes advanced about Socialism, Communism, Capitalism, Gandhism, private enterprise and so on. I do not want to go into them, but it seems to me that these arguments have taken a shape which is normally associated with a rigid, dogmatic and semi-religious outlook. In other words, we hold fast to a set of ideas or slogans and then try to fit in our thoughts into that slogan rather than attempt to understand the changing conditions. Take private enterprise. It is undoubtedly useful so far as our country is concerned; we wish to encourage it, but the dominance it exercised throughout the world, during a certain period, is no more. It is out of date in that

sense. For a planner, it has a very secondary place. A system which is based purely on the acquisitive instinct of society is immoral. That does not mean we are doing away with private enterprise. I think there is much scope for it, and we must give it freedom and encouragement to develop. But we have to realise that the days of the acquisitive element in society are passing; other factors are coming in. Even in the highly capitalistic countries the social element is increasing at a tremendous pace. We have also to think on these lines and get out of the static habit of thinking. We have to be clear about the broad picture we are aiming at.

The picture I have in mind is definitely and absolutely a socialistic picture of society. I am not using the word in a dogmatic sense at all. I mean largely that the means of production should be socially owned and controlled for the benefit of society as a whole. There is plenty of room for private enterprise, provided the main aim is kept clear. In India we have been working to achieve the changes in the political and economic sphere through democratic and peaceful means. This may take a little more time, but I think, this method is, in the long run, much more successful even from the point of view of time and more so from the point of view of final results. Therefore we have to proceed along this road.

We have to realise that we have to attain our goal with a great deal of urgency. We have to move very fast, not only because we want to better our country, but because other forces are compelling us to think of our problems in an urgent manner. In a sense, we, as a Government and as a country, like other countries at the present stage, are on trial. We shall be judged in the ultimate analysis by what we achieve. There is no other test. Just as in a war, we are judged by victory or defeat, so in the present economic struggle, we shall be judged by our achievements. Now what are we wanting? We want progress. That involves various things. For instance, our rate of investment should go up, our production and employment should increase. These are obvious things. How are we to get them? We

have to increase the rate of our investment and thus fight the barrier of underdevelopment. We have already laid the sound foundations of our economy. We can now afford to go faster, for the more rapidly we go, the faster will be the pace of our advance. Now our rate of investment depends on many factors. It involves industrialisation at a fairly rapid pace. Industrial growth will mean more employment. Statisticians tell us that to employ, say, one man in heavy industry, it involves an investment of about Rs. 10,000. If we want to solve the problem of unemployment at that rate, it would mean an investment running into astronomical figures. And yet it is essential for us to have many industries, for we cannot build up a sound economy and be independent of other countries without developing a good number of heavy industries. But, by and large, to solve the problem of unemployment, we will have to depend on small scale and cottage industries. This does not mean that we shall assign a secondary place to heavy industries. Both will be developed simultaneously for they act and react on each other.

Now, if we think in terms of building up our industry, we must give up the idea of continually getting machines from abroad. We must build them here. Sometimes, our Government Departments, who have a peculiar way of calculating things, try to show that it is cheaper to get things from abroad than to order them here. That I call a perverted approach. Anything that comes from abroad is more expensive than the one produced by Indian labour, even though it may cost ten times as much. I do not say we should always do it. I stress it because this business of getting things from abroad needs to be looked into from the point of view of the human problem in India, the problem of employment, production and building up our economy. We must aim at producing the machines and all the basic things here. We might get them from abroad to begin with, but we should not go on getting them in this manner. For ultimately, our basic industries are as essential as the development of power.

Now, all these matters involve the question of personnel. We want trained men in hundreds and thousands.

It may look odd but so many times we come across cases of trained engineers seeking employment and yet we want thousands of engineers. It is a symptom of the lack of something in our planning apparatus, though the malady is now growing less and less. So the question of finding trained personnel is a tremendous problem. We are thinking of this problem more and more in an organised way and trying to find out how many persons we shall need at the end of, say, five, ten or fifteen years for different jobs.

There is, however, one great difficulty in solving this problem, and it is that training takes time. If we want a doctor, it takes at least five years to train him up, apart, of course, from his normal education. The same is the case with engineers or men for any kind of specialised activity.

Now, what are we to do in such cases? Can we tell the Planning Commission, "Well, wait for five years to work your plans. We will then give you doctors, engineers and others." That means stopping all work, which is not good enough. At the same time, it is also dangerous to lower teaching standards, whether for medical or engineering or any other specialised jobs. But it is absolutely essential that we should do something in these matters. It is no good telling me that it will take a few years to train up people. That is just not good enough, depriving millions of people of essential services because you are keeping up your standards. What are you keeping your standards up for? For a limited number of people in a few cities or towns where you may get very highly qualified people, when millions lack even the most elementary services? I would even be willing to have half-qualified or quarter-qualified hands, during the transitional period, so that the vast masses of people might get something. When there is a fire everybody in the house lends a hand. In the same way, we have to tackle the problem of untrained hands. Otherwise the whole structure of planning will collapse completely.

Fortunately, we probably have more trained men in India than perhaps in any other Asian country except Japan. I am not talking for the moment of the Soviet part

of Asia. Nevertheless, from the point of view of what we are aiming at, it is a small number indeed! We have, therefore, to train people up for the requirements of our Plan. We can benefit from the example of China in this respect. Presently, every person in that country is trained up for a particular kind of job, and the moment he is ready, he goes and does the job. Just the reverse is the case in our country; we have large numbers of students coming out of our universities, but they find no scope for employment. So we have to deal with this problem and learn to some extent how other countries have solved it. An identical problem has been faced by all countries and they have had to pass through a similar period of transition.

Take another basic thing—the question of surveys. The other day we celebrated the centenary of the Geological Survey of India. It was celebrated in good style, but when I think of the number of geologists produced in the last 100 years, I feel disappointed. We have very good geologists; they have done good work; but I am talking here about their numbers. The number of geologists we have is very small considering the size of our country. For that reason, we have not made an adequate survey of our mineral resources and other deposits. The Chinese people were faced with a similar problem, but they put up an institute of geology in which they are now producing about a thousand geologists every year. They may not be degree holders, but they have as much knowledge as is required for their particular work. In India we have to think of solving our problem on some such lines. To get experts from abroad does not help us very much.

I shall now refer to another thing to which I attach the greatest importance, and that is the community projects and national extension services, a basically revolutionary development. I cannot say these are working hundred per cent satisfactorily, but, by and large, they are working well and producing big changes in our rural areas. This is a most hopeful sign in our planned approach. In the past, we did not pay enough attention to our rural areas and it is essential now for us to bring them up to a certain level.

THE SOCIALISTIC PATTERN

I want to make myself perfectly clear about the role of the public and the private sector in the Plan. You talk about the private sector. Do you realise what it is? All land in India is the private sector. Nobody thinks of that. Probably all cottage industries will be in the private sector. We hope that they will be organised co-operatively. We also hope that land will be organised co-operatively. But essentially in our present programme we are not thinking of land becoming the public sector. When we talk about the private sector, normally we mean big industries. Now, industry is, of course, a vast field. We have laid down that certain basic industries must necessarily be State-owned and there are other basic industries which we should try to encourage the State to start. But ultimately, if the State cannot do it or does not want to do it, why should not the private enterprise be encouraged to start it? The Plan is an integrated whole and in that both the public and the private sectors must be integrated. They are not rivals. We may gradually change the picture as time goes on. First of all, you control the strategic points in your Plan. Once you control them you do what you can on behalf of the State and allow others to do what you cannot or do not wish to do for the moment. There is no conflict about it. As far as I can see the two must be seen as a whole. The main thing is to increase wealth in the country and to increase it in such a way as to lead more and more to the type of economy that we are aiming at. I do not exactly know

From a speech by the Prime Minister on the resolution on the 'Socialistic Pattern of Society' at the Congress Session at Avadi on January 22, 1955.

what steps we may take later on because it is a dynamic situation—there is nothing static about it.

Take a country like China which has a regimented economy and a highly centralised administration. As opposed to this, we are a federation of States with a democratic form of Government. But even in China, the Head of the State, Mao Tse-Tung, has said many times that they cannot hope to establish the foundations of socialism in twenty years' time. When he says so, he talks not as a slogan monger but as one who sees his problems realistically and works hard to solve them. There are Marxists in China but their way of interpreting Marxism is very different from that of the Russians. I do not say there is a conflict. That is for them to say. But I say, they are trying to understand their own country as it is and to lay down its policy. They have plenty of private enterprise although the leaders are Communists. Of course, if anybody goes against their plan he finds himself in trouble.

It is often said we have entered the atomic age. What it will bring nobody knows. But I want you to consider the economic and political consequences of such an age. We have to increase our wealth; we have to increase employment and put an end to unemployment. It does not matter what kind of resolution we pass and what kind of Government we have—Communist, Socialist, divine or semi-divine—ultimately, we have to achieve our objective by hard work.

Even under the Communist or semi-Communist Government in China, there is unemployment. The people are working hard to solve it. Empty phrases do not help. So, I want you to appreciate this resolution. I do think it is an important resolution because it gives a major direction not only to the Congress and the Governments, but to the whole country. It is a turn in our thinking, a turn in the direction we are going to take, a vital turn, and, I think, a turn in the right direction. Therefore I beg of you to think of this resolution in this way and not in any narrow way. So far as we are concerned, we tried to draft this resolution

as clearly as we could in the Steering Committee and we discussed it for a long time. Having passed it, a responsibility is cast upon all of us, the Congress, the All India Congress Committee and the whole Congress organisation. We must understand this resolution and make others understand it.

There is one more point I would like to put to you. We have to deal with a national movement. I think we are still passing through one. A national movement has necessarily to move on a broad basis. During these 30 or 40 years of my association with the Congress, I have often been unhappy at the slowness of the pace of the Congress. But I realised long ago that the Congress cannot function as a small sectarian movement, because it has to carry the people with it.

We, 375 million of us in India, are fellow travellers. We can pull these a little, push those a little, but we have to go on together and any other procedure is likely to lead to sectarianism. We have to see India in the perspective of history and see the grand sweep of the Indian people marching forward to freedom, to independence and then taking the next step and marching onward again to further goals. It is a tremendous thing and it is not slow progress either. Have a sympathetic view of the problem, look at it from a historical perspective and then formulate your broad policy and put all strength into it. That is the way broad national movements have advanced. If you look into the history of revolutionary movements of other countries, you will find a tendency among people to break into sections, to fight each other, to forget the larger cause of the movement. We have tried to avoid that. So I venture to place this resolution before you. Here is another step. Let us not shout too much about it. The shouting can come later. There is a broad march of the Indian people forward and it is the privilege of the Congress to point the direction again.

THE PUBLIC AND THE PRIVATE SECTORS

The ideal of a socialistic pattern of society is not the ideal of any single party or group but of India as a whole. The words "socialistic pattern of society" have not been used as a slogan or a vote-catching device. They have not been used in any rigid way, nevertheless they have been used definitely and clearly to point out the direction in which the country is to go. We are committed to it and we shall go that way. Let there be no mistake about it, not because I alone think that way—I have been talking about it for 40 years—but because the nation thinks that way and will go that way.

I want you to lift yourselves out of the old dogmas and think of the enormous opportunities before us, the enormous dangers before us, and make use of the opportunities we have of building up this great country, building it up peacefully and democratically, and building it up with as little conflict as possible, serving 360 million people and serving the world too. Attaining the socialistic pattern of society is not a question of legislation or something else. No doubt, the Finance Minister will gradually go that way as he should. But ultimately it is all a question of our activity and the Planning Commission is looking that way and moving that way.

There is talk in this connection of the private and public sectors and the conflict between the two. To my mind, there is no conflict between them at all. Some people, no doubt, feel that private enterprise should be given full

From an address delivered at the meeting of the Federation of Indian Chambers of Commerce and Industry, New Delhi, on March 5, 1955.

and unrestricted scope. There can be no such unrestricted private enterprise and the State has to intervene on a big scale. With our limited resources we cannot allow people to go in all directions. There has to be planning whether for the public or the private sector. The private sector should be given a great deal of room, but, broadly speaking, it must fit in with the plan. Planning will have no meaning if it does not cover all our activities, public or private. The public sector will necessarily be more precise and definite.

Agriculture will necessarily be in the private sector. Our objective is to have small peasant proprietors, though I am sorry to say that in that direction things are moving more slowly than they ought to move. There will also have to be co-operative farming. All manner of small enterprises should be essentially in the private sector. Small-scale and cottage industries should also be essentially in the private sector, though even here I should like to bring in the co-operatives.

Even more than other activities, big industry has definitely to be a part of the plan and must function in close relation with others and not in any unregulated way.

So, apart from the vast fields I have indicated, I should welcome the private sector in other fields too and utilise all their experience and enterprise. But gradually what we should aim at is the largest good of the people. Our test should be what is good for the people as a whole and not for any particular individual or group. If that is the test, then gradually the public and private sectors will merge with each other. It has been the effort of myself and the Government to convince everybody in India and carry everybody with us. I do not believe in uniform or regimented thinking. But there is a thing called a common deal or objective, and I would certainly like a great deal of uniform thinking in regard to such ideals. Just as during our struggle for independence we desired that there should be independence in India, so also I feel there should now

be in the country a certain uniformity of approach as to where we are going.

I do not want to use technical words, such as capitalism, communism or socialism, as these rouse passions by raking up in people's minds old arguments and suspicions. The Constitution has definitely laid down certain social objectives. We have to remember that the first thing we desire is the good of 360 million people of our country and not only that of any small group or a few individuals. It does not mean that everyone will get everything. Equal opportunities should, however, be given to all the 360 million people. This cannot be achieved suddenly by magic or law; it will take time. Nevertheless, we must move in that direction and must move fast. We can lay down targets. Everyone in the country should have the primary things of life like food, clothing, housing, education, sanitation, medical facilities, employment and work. Once these ideas are accepted, the approach will be found to be very much simpler, whether it be through capitalism, or socialism or communism. Then the arguments will become much simpler. If we argue in this way, as we no doubt hope the Planning Commission will, without getting lost in theoretical arguments, the area of disagreement will be lessened considerably.

In India today there is a feeling of self-fulfilment, a certain hope and feeling that we are making progress. I do not want our people to be complacent in the slightest degree, but there is a feeling of satisfaction. And if we look outside the country, I think people there are beginning to realise that something important has happened and is happening in India and that the vast masses of this country are on the move. That is a tremendous thing and something bigger than all the statistics about industrial production and the rest, though these in themselves are also evidence that we are in the move.

As far as industrial production is concerned, I should like to congratulate both those who represent capital and organised labour. Both deserve credit. I have a great admiration for, and faith in, the judgment and good sense

of the Indian people. They are not so easily swayed, though they may be, temporarily, by religious passions or other slogans. We are all in the same boat and will either sink or swim together. I am not going to jump out of the boat and seek safety somewhere else.

So when one looks round one feels the pulse of progress, hope and expectancy about something already done or about to be done. What is that feeling due to? First, it is due to the improvement on the food front and secondly, to the improvement in industrial output. The success of our community schemes, though they are not dramatic, have also contributed to this feeling in the country. While no doubt the Community Projects increase production, and bring in new roads, houses, etc., ultimately their main function is to build men and women and make a great number of people realise that we are building up India and are partners in this enormous enterprise. All this has contributed to the feeling of achievement, self-fulfilment, and hope, and these are tremendous gains, greater than mere production here and there.

The resolutions of the Avadi Congress, which cover many important aspects of our national life, should be looked at in an integrated way. The culminating point of these resolutions is that the objective of India's planning should be a socialistic pattern of society. That is nothing new for the Congress. Many of us have said it time and again in the past. Broadly speaking, the Congress has represented that idea, and certainly Gandhiji represented it in his own way and in his own language. But what the Congress was saying formally has, at this particular moment and in this particular language, a powerful influence on our people. It shows them how dynamic the Congress is and what a living, moving and changing institution it is, that it has not merely stuck to its old ruts. The resolution created an impression on the people's minds because the Congress said something which was very much in tune with the spirit of our times and the spirit of our country. It thus gave strength to others and derived renewed vigour for itself. We did not do it, I may tell you, as a vote catching

device or in response to any move. Because had we done so, it would have come back on us as a boomerang and crushed us. We did it because we thought it was right for the country and the community.

When we talk of the nuclear age, we think of its destructive aspect as well as of its tremendous possibilities for construction. There is no doubt that, with nuclear energy, in ten or fifteen years the face of the world will be completely changed.

But there is a third aspect of the problem also, namely, that the slogans of yesterday have very little meaning in the present context, whether the slogans are capitalistic, socialistic or communistic. All these have to be fitted into the nuclear age. Not that they are all wrong. They have some elements of truth in them but they have to be refitted and rethought of. Capitalism, socialism, Marxism, all these are children of the Industrial Revolution. Today, we are on the eve of a greater revolution, which is affecting our production, distribution, thinking, and everything else. In this context, a decision was taken for a socialistic pattern of society to give an indication of our objective and approach. We have to fit India into the nuclear age and do it quickly.

While learning from other countries, we should also remember that each country is conditioned by its past. All the factors that have conditioned India have to be remembered. We have not used the words "socialistic pattern" in any rigid way, but nevertheless definitely and clearly. It is not the decision merely of a party or group but of the people as a whole. The object cannot be achieved by mere legislation but by planning. What we should really aim at is what is good for the people as a whole, and not to what extent a particular individual or group may benefit. That would, in fact, be thinking in terms of individuals or groups. Our thinking should always be in terms of the masses of our people.

We should not imagine that those, who, like me, think

so much in favour of the public sector's growing and advancing rapidly, are in the slightest degree opposed to the advancement of the private sector. Naturally I want your co-operation in the achievement of this objective.

India is functioning in an atmosphere of great urgency and there is no time to be lost. Our speed has to be very fast. The realities of the present-day world are forcing us in that respect. The devil is after us and we have to progress rapidly. It is not a question of some people or a few individuals progressing but of 360 million people progressing and our taking them along with us.

INDIA'S PLANNED EFFORT

Friends, it is more than six months since we last met here. In the meantime, we have been thinking of the Second Five Year Plan, though we are still far from it. We can no longer think of planning as a list of projects. We are now passing on to a higher stage of planning when we have to think of all the consequences in regard to production, consumption, employment, unemployment and of each step that we take. Naturally, there are many uncertain factors about our calculations and, above all, it is that human factor that is the most uncertain. Whatever plan we may make, we base it on such information, data, statistics and experience as we have, and we constantly correct it as our experience and information increases. It is a continuous process.

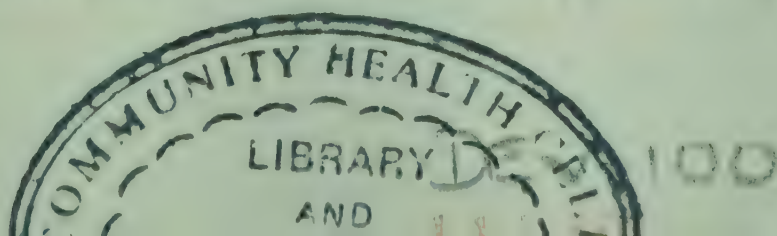
We try to be as accurate as possible. When we drew up the First Five Year Plan, the data at our disposal was very limited. Now, the Planning Commission, during the last four or five years, has collected much more information, data and experience. So have the State Governments. In addition, our statistical information has also increased. But all this is certainly not enough, especially when compared with many advanced countries. So, while we prepare our Plan, we prepare it on the basis of the information at our disposal. Nevertheless, it will have to be constantly revised as further information comes in. Therefore, while we make the Second Five Year Plan, we have to remember that planning is a continuing process; it is a non-stop business. It does not end with any particular stage. There may be intermediate stages when we may stand up and look around

Speech delivered at the inauguration of the first meeting of National Development Council on May 6, 1955.

to take stock, but the work never ceases. Broadly speaking, when we draw up the Second Five Year Plan, we have to remember that while the Plan for the whole period may not be very detailed, for the initial period of one year, it will have to be as detailed as possible. We say this because we want the Plan to be completely flexible.

We have, today, a much more favourable atmosphere for planning than we had four or five years ago. At that time, the very idea of planning was not fully accepted nor appreciated by many people. Today everybody accepts the idea of planning. We may differ as to the manner and method of planning, but everybody accepts its basic concept and realises the fact that without planning we cannot make effective progress, or utilise the limited resources of the country to the best advantage. This is one gain. The second gain is that during these last four years we have achieved some of the targets we laid down, notably in regard to food-grains. That creates a sense of satisfaction, and, what is more, a sense of confidence in oneself, in the country and the people. We now feel that we can do these things. It is true that what we had asked the country to accomplish was nothing very extra-ordinary. Our targets were not too high, but still the fact that we did state a target and realised it does increase the feeling of self-confidence and strength in one's capacity to do things. We have important projects before us like the Bhakra Nangal Dam. These are gradually moving towards completion and the fact is seizing the imagination of everyone, Indian and foreign. Sometimes, criticisms are made about this or that aspect of the Plan. But the main thing is the magnificence of the tremendous venture we have undertaken and the way we have proceeded in achieving results. It is indeed striking.

I think from the larger point of view, the Community Projects have proved the most effective. They have produced the greatest results in the public mind, firstly because they are spread out all over the country. Secondly, because they deal with an essential part of our population, namely, the rural people. Unless we can move this sector, we shall never be able to get the Indian economy into a dynamic state.



We started with the Community Projects and then we thought of the National Extension Service. The two are now being applied together. The Community Projects work on a more intensive scale and the National Extension Service on a lesser plane. Personally, I attach the greatest importance to this work, and more especially, to the Community Projects, because they set up the base of a new society. They set an example. It is the Community Projects which have attracted tremendous attention in other parts of Asia. They can solve the problems of these countries. Our Community scheme is no doubt based on a foreign example, but it has been adapted to Indian conditions and is based on our way of thinking. In regard to future planning, the Community Projects should be thought of in terms of the focal centres of the future plan. They should be utilised to push ahead the Second Plan, for example, by developing village industries, cottage industries and the like. This approach has been thrust upon us by the compulsion of circumstances like the need for providing employment and producing goods for consumption. We have at the same time to lay stress on heavy industries, for without these we cannot lay the foundations of rapid progress. However, unless we balance this large-scale production with cottage industries, the results will not be satisfactory.

Now the small-scale industries do not absorb as much capital as the big ones, but they are far more difficult to organise. They are spread out throughout India and are not concentrated in any particular area. This makes it very difficult, but it has to be done, and right now. It cannot wait for the beginning of the Second Five Year Plan. For this purpose also I think the Community Projects can help us best in achieving quick results.

I come now to the question of resources. I feel that if a brave plan is drawn up, and not an airy one, and the people are convinced that it is going to lead them in the right direction, they will be prepared to put up with a larger measure of austerity and hardship to help in the Plan. It is, however, essential that the people should join with us, not merely in the acceptance of the plan but also in its

thinking process, because in doing so they go forward step by step. If we brought out the plan ourselves and placed it before the public, it would be ignorant of all the past thinking that led to it and would not understand many things. If, however, we invite the public to join us in our ideas, the position will be different. When the people see difficulties arising, they will appreciate them and will do all they can to overcome them by hard work. In this way, it will be easier to tackle the question of resources also, because the public mind will be prepared for all eventualities. That is why I attach the greatest importance to the public being associated with the formulation of our Second Plan. In fact, that is the essence of what we call the people's plan. I would like our members of Parliament, members of the State Assemblies, Ministers and others to encourage in their States this thinking about the plan, not only in their limited area, but with reference to the larger aspects of the plan.

Coming back to the question of resources, I feel, we should utilise the services of the Community Projects to approach the people in the village, rather than depend on the newspapers for that purpose. We who live in the cities have no idea of how little newspapers count in India. When one sees the total circulation of papers in India, it turns out to be infinitesimal as compared with our population. Therefore, we seldom reach the vast section of our population through newspapers. Through the Community Projects and the National Extension Service we touch about 98,000 villages today. Of these, about half are under an intensive development programme. These can be used as organs for the implementation of the plan in rural areas. We want their help because the government machinery is inadequate for the purpose. It is really ironical that today when we have all the machinery of the Government of India and of the State Governments at our disposal, and also a large number of competent officials to run that machinery, we feel handicapped in our contacts with the people. In the nineteen twenties and thirties, we had no money to spend, and without microphones, loud-speakers, cinemas and advertisements, we were able to reach millions of people and enthused them

to participate in a movement and suffer a great deal. That was so, because we had an ideal before us.

Today, I feel that even in regard to the loans that we wanted to raise from the people, we did not reach them adequately. If we had done so, I am sure the response would have been greater. In reaching the public, we have to remember that our approach should not be official but personal.

In the end, I want to repeat that what we are doing in India today is something unique in history. Other countries have made progress but that has been the result of about two hundred years or so of development. In Communist countries like Russia progress has been achieved, but with a vast expenditure in human life and suffering and under an authoritarian system. In India, we are pursuing an entirely different course, the democratic and peaceful approach to problems. No country pursuing these methods has been able to deal so rapidly with its problems. Therefore, I say our experiment is quite unique. I think we can achieve our goal, for I have an enormous faith in my people. I feel that if any thing is put to them directly, honestly and in a way that they are able to understand, they can be made to do anything. But if we feel superior and talk to them as government officers, then of course the result will be different. We have to pitch our efforts on a higher key and have to prepare the ground for our next 'jump' and not the next 'step.'

LONG AND SHORT-TERM PLANNING

I think the discussions we have had since yesterday have been very helpful in bringing out certain important considerations and approaches. The measure of agreement is considerable even though the emphasis may vary. It is agreed by all—and indeed that is our firm policy—that we should develop towards a socialist structure of society. We say that not because of some emotional feeling but for very practical considerations. You cannot meet social problems of the day without evolving in that direction. I do not want to generalise about other countries, because each one has its own background. Laying down general principles for everybody seems to me rather risky. But taking India as it is, I think we have the urge and the necessity to develop in that direction. I hope everybody realises that the achievement of socialism or any kind of high standard in this country is a long-term process. It is no good deluding the public that we can achieve it quickly. Even in China, Chairman Mao repeatedly talks of achieving socialism in 20 years or so in spite of all the authoritarian powers that they possess and the tremendous capacity of the Chinese people to work.

We talk of Russia, but we forget that what it has achieved is the product of 38 years, quite apart from the question of communism. I asked the Soviet leaders who were here when they thought they would achieve their objective of a Communist Society? They said that starting from now it would take another 15 to 20 years. So, in spite of every effort, these things do take time.

Speech delivered at the Standing Committee Meeting of the National Development Council on January 7, 1956.

Naturally, we have to go fast, for if we do not, undesirable developments may take place. But in going fast, we have to be clear about the broad objectives which have now been laid down. We have to see that everything we do is on right lines and does not encourage wrong trends.

All this indicates the great importance of what I would call long-term planning, not of course detailed planning—because then one can see whether what the country does in the next few years fits in with our broad objective or not. It is not enough merely to test it by some broad concept such as socialism, but it is necessary to have some clear idea of what we hope to achieve in 15 years' time. Once we have the broad outline, we can have shorter plans that can fit into this scheme. Lastly, we must have the detailed One Year Plan or the Annual Plans, which must fit into the longer plan.

Regarding our Five Year Plan, it is necessary that it should be very flexible. It should consist only of a broad framework and should be capable of modification in terms of our resources and our long-range picture.

Now, production is obviously essential, but even more essential is the right trend in production. If I may say so, I feel the whole of the cold war in the world today is a projection, not merely of communism or anti-communism, which, of course, it is in a sense, but of the culmination of industrialisation and the conflict between the big power groups. Previously these conflicts took place between the Western Powers, for instance, between Germany and England. But now it has moved on to the world plane. The growth of industrialisation, which may be typified by the hydrogen bomb or the atomic bomb, has brought us to a certain crisis which requires careful thought. I am not prepared in the least to copy either Russia or America, because from India's point of view both may be utterly and absolutely wrong. Both may succeed on a narrow plane, and they have succeeded in reaching a very high standard of material comfort. America has succeeded and Russia, no doubt, will also succeed, provided America and Russia do not collapse before that through war or something like that.

Of course, we have to think about material issues, because they are very important. But we need not take for granted all the other things that have happened in highly industrialised countries, because they may lead them in a direction which ultimately brings about ruin, in spite of the high state of civilisation that they first reach.

Now, I am not talking here of India's spiritualism. It does not help us; it just confuses the issue. But I do think India has a chance of developing a relatively high standard of living on her own lines, without getting into the difficulties and dangers which the mad race for economic power has brought about. I am not anxious for everybody in India to have a motor-car or a washing machine or a refrigerator. But I am very anxious that the right trends should be encouraged.

The whole problem of modern civilisation is that industrialisation leads to concentration of power. The question arises, how to safeguard individual freedom under these conditions. Whether it can be done or not, I do not know. But I think we should develop a structure of society which encourages the right impulses and trends and not the wrong ones.

I think, capitalism has done a great deal of good to the world, even though it involved suffering to many people. It is absurd to curse capitalism all the time, it just confuses the issues. It has had its day and is now fast changing shape. Now, need we go through the same old process of capitalism and then try to reverse and change it? We have got the choice before us and we have the experience of others. Why not profit by the higher technological and industrial experience of others, without necessarily following trends that will create difficulties and cause international and external conflicts?

I believe that in India we can win over the people. We need not fight them. Of course, apart from the friendly approach, we do have the power to put pressure on them. We settled the Indian States problem, not only by goodwill, but also by the pressure that was exercised, both by the new Government of India and the people of the States. Of

course, there was the friendly approach to settle the problem. We paid a heavy price to achieve a peaceful settlement in the form of the privy purses of the princes—which was probably not logical from the point of view of justice—but was nevertheless justified in the circumstances, because we thus brought about a major political change without the stupendous expense of a conflict. Similarly, I think we can bring about social changes in the industrial field, under pressure of events, by the pressure of democracy, and by a friendly and co-operative approach.

On the whole, it appears that the reaction of Indian industrialists—I am not talking of individual people—has been good, and I do not see why we should not utilise their experience, ability, etc.

We talk of the public and the private sector. Obviously, land and cottage industries are in the private sector, although there, too, I think, it is essential to develop the co-operative sector more and more. As a matter of fact, it is the only way we can survive against the big units and still have the advantages of a centralised apparatus of Government.

I am not against industry which may be called medium sized or big. As I conceive it, in future, all the basic industries, all mineral resources and all heavy industries and the like should be State-owned, while medium and small industries should be owned co-operatively. This will, however, have to be a gradual process. Meanwhile, private enterprise should have scope in the group of medium industries also. I do not believe in nationalisation as such because when you nationalise, you have to pay compensation. I just do not see why we should waste our resources on compensation. I am not referring here to services like banking and insurance, which are basic and which may have to be taken over, but, as regards the factories, I would rather put up a new factory and compete with private industry. If any private owner comes and tells us, “you are invading my realm” or that “I suffer from it”, I will say: “Well, I am sorry. After all, in a State activity, if we set up some plant and if somebody suffers, it is the State’s interest which is more important than the private owner’s and that is why we have decided

on these lines." No field of activity is sacrosanct for the private owner but certain fields of activity should be sacrosanct for the State. The rest is an open field and there we should give every opportunity and freedom for private enterprise to grow. I do feel that we should increase and encourage every element to produce and to help in nation-building, subject always to wrong trends not developing.

Now, take our Industrial Policy Resolution of 1948. I think Prof. Gadgil said that it does not go far enough. Possibly it does not; we can revise it, but I really feel that we have not acted up to it fully. Take, for example, coal. Many State Governments have gone about distributing licences widely to private owners and we find that we are all tied up by them. Of course, we can acquire the coal mines but the State Governments never realised the consequences of their action. They went on in the old way. If the 1948 Resolution was not fully acted upon, we do not now want to do something which will impede us.

Someone suggested that where the Government gives aid to private industries, it should assume some kind of control over them. Personally I do not see why this should not be done. I am not an expert on these matters, but the idea seems to be good. When we give money which really strengthens a business, there is no reason why we should not also profit by it.

Much has been said about the lack of technical personnel. Of course, it is important but I do not think there is going to be any real difficulty on that score. There may be a year's delay or so but we are starting to train up such people. I think the scientific and the technical personnel should not only be instructed in the technical processes but in administration also. The administrator is an able man and does a good deal, but his thinking is on different lines. It would be better to mix the pure administrator with the technical man and the scientific man. After all, all problems today are problems of science and technology. I think, therefore, that scientists and technicians should be associated more and more with our various processes including administration and planning.

I am convinced that we should adopt the highest technique possible in anything we do. This does not, however, mean that we should throw people out of employment. Subject to this factor we should change our techniques.

I entirely agree about our giving more social amenities to workers. We are constantly faced with the question of higher salaries, wages, etc. But I think that if we spent even half the money on amenities it would be much more satisfactory than merely giving an increase of, say, five or ten rupees in wages. It would cost the State less.

First of all, we should provide free education, free health services, etc. Other amenities like housing and slum clearance can also be provided, but they are very expensive. We must put up with slums for some time, because we have something more urgent to do. In Germany they have made tremendous progress by concentrating mainly on factories. They continued to live in bad houses, but built up big factories. In this way, they absorbed ten million refugees and now, they are short of man-power. Yesterday, the Foreign Minister of Italy was saying that they were sending 100,000 Italians to Germany for construction work. This is the first batch and more may follow. It is an extraordinary thing and I do not understand it. Germany is a capitalistic country and they have big industries. Of course, they have greater resources.

Some people mix up democracy with capitalism. Simply because democracy has grown up in some capitalistic countries, it does not mean that it is an essential part of capitalism or *vice versa*. Similarly socialism does not necessarily mean authoritarianism. At least in theory it does not; in practice I do not know how the country will develop. Democracy means removal of disparities. That is simple enough.

There is another aspect in regard to the private sector to which I want to draw your attention. It is the association of foreign capital with the private sector. I am not against foreign capital coming in but I want to draw your attention to the effects it may produce. If the State borrows money on its own terms and gives it to the private sec-

tor, we know where we stand. But if foreign capital is associated through the agency of Indian capital, it may play a bigger part in our affairs, which we may not want. I am not saying that for this reason foreign capital should be rejected, but all these complications should be borne in mind.

There are one or two other matters I want to refer to. Some two or three weeks ago, a Chinese expert on agrarian co-operation was here and he addressed our Planning Commission. He told us how China had developed her agrarian co-operatives with extreme rapidity. The Planning Commission is sending a team to study them in China. But I cannot understand how our system of co-operatives helps only the bigger people. Instead of encouraging the poor people, it discourages them. It does not seem to apply to the poor man who has no resources. A co-operative system should be able to help and encourage the poor man. I do believe that development of the co-operative system is most important and essential.

Lastly, I think the minerals and heavy industries are the bases of our future development. Mr. T. T. Krishnamachari referred to the second plan being the basic preparation for the third plan. That way, it is a long-term plan. We have to see that by the time the third plan comes into being, we are progressively in a position to build our own machines. We may not be able to do so fully, but we have to make the attempt. We have been talking of having three more steel plants but nothing was done in the first Plan. Even if we had put up one plant then, what a tremendous difference it would have made and what a saving of foreign exchange! Now, we are buying steel all over the world. Is it not better to be prepared? I do not want such a lag to occur in regard to the machine making industry.

APPROACH TO THE SECOND PLAN

Friends, it is almost two weeks since the Standing Committee of the National Development Council met here in this room. The members considered the Draft Plan for two days and offered many comments. Speaking on behalf of the Planning Commission and the Government, I can say that we welcome these comments, for we want your guidance and help in the drafting of this Plan, and in its implementation afterwards.

You will see that for more than a year now, there have been talks and some work done on the Second Five Year Plan. Work has been done in the various Departments of the Planning Commission, in all the States, in the Indian Statistical Institute and in a number of other places. Much thought has been given to the problem and arguments advanced in innumerable discussions. It does not mean, of course, that the more we talk, the more we arrive at the truth. Nor does it mean that because we work hard, the result is necessarily the right one. It does mean, however, that the will to achieve a common purpose is there, the will to find the right step to take. We try our utmost by consultation on the widest possible basis to find a solution for India's problems. It has been our privilege to be in positions of responsibility in the present growing structure of India; and, therefore, it becomes our duty and obligation to face these problems and to try to solve them to the best of our ability and strength. We have come to realise—not only we, but the country as a whole—that progress can best be achieved by planning, by a planned approach. And thus the

* Speech delivered at the National Development Council Meeting, New Delhi on January 20, 1956.

consciousness of planning has spread throughout the country. Opinions may differ about the nature or the objectives of planning, but most people in India, I think, are conscious of this Plan and of its various successes. These successes may not be startling, but they are substantial and they are spread all over the country. All the great States in India have worked to make the Plan a success, so that it has become a tremendous co-operative adventure, a genuine adventure in the sense that it has become more and more pervasive in every department of national activity.

Now, as I told you, for over a year, the Second Five Year Plan has been in the air and in the people's minds. It has been in the mind of the Planning Commission, the State Governments, and the Central Statistical Institute which, you will remember, produced the plan, frame almost a year ago. Since then there have been many consultations, between your representatives and the Planning Commission and between the experts and others. And, then, finally we had the meeting of the Standing Committee of the National Development Council.

The N.D.C. suggested many things which, naturally, we took very careful note of. After that we had a series of meetings with a large number of Members of Parliament—about 70 to 80—belonging to all parties. At these meetings often the same points were emphasised as at the meetings of the Standing Committee. Some new points also arose. In the last few days, the Planning Commission has sat down to consider these points and I must say that it is in agreement with many of the suggestions made. In the draft report presented before you, an attempt has been made to incorporate most of these suggestions.

After the present discussions, some changes will have to be made in the final report, for remember that this is merely a draft for consideration.

I wish to lay stress here on our approach to planning, I mean the democratic approach. This approach has also to be statistical approach, that is, an approach based on statistical information, not on vague ideas and ideals.

Statistical data have to be collected, and sample surveys and calculations made at every stage, to calculate our actual resources, the employment potential of the Plan, the production rate, and the commodity balances. For, it must be remembered, planning does not merely mean putting up a factory here or a factory there. Planning implies the interlocking of production, consumption, employment and a large number of other things, such as transport, social services, education and health. The whole thing has somehow to be brought together. Of course, human relationships in a vast country of 370 million people cannot be dealt with in a mathematical way. There are numerous uncertain factors, the coming of the monsoon, for instance. Yet the element of uncertainty and error can be greatly reduced by planning.

The second issue which was emphasised at the meeting of the Standing Committee was the question of objectives. It was suggested that these objectives should be clearly stated, preferably in the preliminary chapter. Broadly speaking, both Parliament and the Congress have laid down the objective as the attainment of a socialistic pattern of society. This is a broad and yet quite precise indication. But it can be interpreted in various ways. People can say this is socialism and this is not. It is true that we do not want to be doctrinaire in our approach. But we do not want to be vague and muddle-headed either about the use of the word 'Socialism'. There must be some precise content in our goal, in our means and in the methods by which we seek to achieve our goal. At the Standing Committee meeting, therefore, this point was stressed and it was said that our objectives should be stated more clearly. Many unnecessary arguments took place in the course about the justification of our method of planning. Some people forget, however, that while we try to benefit by other people's thinking and experience, we try to arrive at our own conclusions. There have also been arguments about the physical and the financial approach to planning, as if these represented

opposing and contrary tendencies and were out fighting each other in the ideological sphere. This is all wrong and only reflects the confusion in the minds of some people. It is necessary for us to have clear ideas about these concepts.

At the meeting of the Standing Committee, as I said earlier, stress was laid, in the main, on three points: firstly, a clear enunciation of our objectives and methods; secondly, the need for the public sector being given greater importance and, thirdly, the need for greater emphasis on the heavy machine-making industry as the basis of industrial growth. Sometimes, a plea is put forward that we should build up our consumer goods industries first, and thereby save money and build something else and thus provide more employment for people. This, from the point of view of planning, is I believe a discarded theory. In fact, this approach may ultimately take us away from planning. It may do some good here or there; but it is not a planned approach at all. If we want India to go ahead, as we must, it is essential for us to go to the root of the problem and build the base on which to raise the structure of industrial India. Therefore, it is necessary to develop heavy industries and heavy machine-making industries. The work should be started now as it will take five to six years to bear fruit. If we do not work now, we will have to wait for another Five Year Plan. It is for this reason that stress was laid on these two factors at the meeting of the Standing Committee.

You will remember that the Government of India passed a Resolution in 1948 which was called the Industrial Policy Resolution. Broadly it governed our industrial policy. The question now arises, is this Resolution adequate in the context of our objective of a 'socialistic pattern of society' and in the light of the experience we have gained from planning? Speaking generally, I believe we know what we are aiming at but probably it will require careful thinking to formulate our thoughts in the form of a resolution or in some other manner.

The question of the State owning minerals was also raised at the meeting of the Standing Committee. It is necessary in any scheme of planning to exercise some control over the indiscriminate practice of doling out leases for important minerals to private parties. Reference was also made to drugs. It was said that important drugs should be controlled by the State. All these things were accepted by the Planning Commission. But these and like matters require to be discussed further.

I have not referred to the basic resources, for they have been discussed so many times by you and by others. After much discussion we arrived at a figure of Rs. 4,800 crore for the second plan period. It is necessary, however, not to lay down any rigid time-table for the next five years, for it limits the scope of adaptability which is the essence of planning. Our Second Five Year Plan should, therefore, be considered as a broad framework, which will be revised and improved upon in the course of time as new facts and fresh data come to hand. Nonetheless, for each year a precise detailed plan will have to be worked out.

Here again arises the question of long-term and current planning. Long-term planning does not mean planning in terms of five years only, but planning for fifteen years and twenty years ahead, keeping in view the broad picture of the social structure we want to attain twenty years hence. It is only by keeping this broad picture in view that our current planning can fit into the structure. Otherwise we would be lost in current planning, and plan in a wrong direction. In the light of our long-term objectives, we should judge our yearly progress and see whether we are going in the wrong or in the right direction. For instance, there is much talk of the public sector and the private sector. We have said repeatedly that the public sector must grow. But it does not mean that the private sector should not grow alongside. Provided certain conditions are fulfilled, i.e., if economic power is not concentrated in private hands, vested interests do not grow in matters of strategic or social importance, and there is a dispersal of

economic power and an avoidance of monopolies of any kind, the private sector should also be allowed to grow.

If we are aiming at a socialistic pattern, the major things will inevitably belong to the public sector. That is obvious. Now this morning you must have seen in the newspapers an important decision of the Government of India with regard to life insurance. This is a big step. It has come about after a good deal of thought. At the last meeting of the Standing Committee many members referred to the nationalisation of insurance. The Finance Minister had it in mind, but he could not disclose it until a final decision had been reached on the subject. I think it is a good decision, not only from the point of view of our Five Year Plan, but also from the point of view of our objective of a socialistic pattern of society. Thus we take steps, one by one, consolidate them and prepare for the next step, in a practical way, not talking too much about nationalising everything and socialising everything, not talking too much in terms of slogans, but in terms of the steps that we are actually taking.

Now I wish you to realise that in spite of all kinds of distractions, political and other, we are continually moving from the political to the social and economic plane in the country. Ours is a backward country which is constantly preoccupied with purely political problems. Other countries think more of social and economic problems. In planning, we necessarily think of economic content and of the material advancement of the nation. It is right, therefore, that our future pattern of thinking should revolve more and more round the concept of planning.

THE SECOND FIVE YEAR PLAN—OBJECTIVES AND APPROACH

Friends, we have arrived at the end of the first stage of our journey, and must immediately start on another. In fact, there is no break; just as the flow of life is continuous, planning and development, which try to regulate the flow of life of a nation, have also to be a continuous process. We have been working on this Second Five Year Plan for the last two years or so while the First Plan was in operation and was being modified and added to from time to time. After over a year's labour, the Draft Outline was produced and placed before you. That has been published, commented upon and considered, and after you have considered it, we propose to place it before Parliament for its approval.

You will observe that a great deal of labour and joint effort lie behind this Draft Outline, and yet whenever we have considered it anew, fresh ideas have come and fresh criticisms have arisen, so that it is difficult to say at any given time that we have actually finalised it. That is why this whole effort, while it has a certain measure of finality for the moment, by and large, has remained flexible so that we can consider it from time to time and improve upon it in the light of further experience. The more we deal with planning, the more our plan takes a form in accord with our own problems; it is not merely an imitation or copy of the efforts made by others in their countries to meet their problems. We have consulted many eminent experts from abroad with experience of planning and other allied matters. And that has been helpful, but the fact is that more and

Speech at the National Development Council meeting on May 1, 1956.

more we have been thrown upon our own resources, not only material but mental and intellectual as well. And I think that the only real way of coming to grips with any problem is to see it not through the eyes of others but through our own eyes. I say this because naturally we seek light wherever we can find it, and that is the right procedure, but the problems we have to face in this country are peculiar to India. It is not always desirable merely to apply some other technique or seek solution which may not be wholly applicable. Yesterday in Parliament I placed before the House a Resolution of the Government of India dealing with the Industrial Policy. You have all seen it. That is a natural development from the experience and the decisions taken during the last few years, and, broadly speaking, our planning, industrial planning certainly, should be governed by the policy laid down in this Resolution. Now, it is not my purpose to take up much of your time because we want to profit by your advice and suggestions. We have already considered this Draft Outline previously. It has been changed since then, not I suppose basically, nevertheless many changes have been introduced. Even after this document was circulated, when our Cabinet considered it, it suggested many changes in the drafting and in the language, though not, perhaps, any basic change, and yet in the course of our discussion in the Cabinet, a number of important points arose and we discussed them among ourselves and we suggested a little more emphasis here and a little less emphasis there. The fact that the more we deal with this business of planning, the more we come to grips with it. We are no longer playing with words and phrases or with ideological approaches. Naturally there is always a basic ideological approach to a problem, but the academic approach is not enough for us because we deal with actual problems and try to seek a solution for them, partly, of course, through the ideological approach, but much more so by considering the actual problems and the experience that we have gained in solving them. And so we can, any of us here, easily discuss certain basic approaches to planning and not arrive at any final and definite conclusion

perhaps except that some may emphasise one aspect and some another. It is good to have such discussions because they light up the way but, actually, the way is chalked out step by step by us, by the experience that we gather and not so much by a purely theoretical approach. We have decided, broadly speaking, to industrialise the country as rapidly as possible because we feel that without the growth of industry, there can be no real progress from the point of view of wealth formation, employment, and even from the point of view of our country's being able to preserve its freedom. Now, that is a basic approach which we have emphasised. Previously, too, we had this in view but we had not put the same emphasis on it. Now, if we industrialise, it is obvious that we must lay the foundations for it. We cannot put up the super-structure without the foundations of heavy industry, iron and steel, a machine-making industry and the like. Out of this others will grow. Then there is the vital and most important question of employment and sometimes it appears, in the short run, that the emphasis on one aspect of the problem may reduce the emphasis on another aspect. Ultimately, of course, there is no such, or there should be no such, conflict, but immediately there may occasionally be some such apparent conflict but one has to keep this in view because employment is obviously most important and vital. We said on a previous occasion, I remember, that we would, more or less, solve the employment problem in ten years from now. Well, I think it is very difficult to be dogmatic about it. I do think that in ten years' time we should be able to go a long way towards its solution but whether we shall succeed in completely solving this problem is another matter. Some of us, I may tell you, are more optimistic about this, some of us less. Anyhow, we make this effort but at the end of this period, we should arrive at a stage when we have come to firm grips with this problem. In fact, the whole purpose of this planning is a planned tempo of progress, major progress should take place progressively as our resources increase and employment increases. Now, how shall we consider this Report, these two big volumes. The second

volume or Part II deals with definite programmes, their details. Perhaps it is not necessary to consider this here in this National Development Council unless some member wants to raise some point. The first three chapters are important as they give a broad approach. I think we might take up these first three chapters as a whole for the purpose of discussion as they deal with principles, the way we are thinking about the matter. The fourth chapter, deals with finance and foreign exchange. Of course, if any member wishes to say anything about it, he is welcome. I do not know whether it would be worth our while discussing this particular matter in detail here.

The next important chapters deal with employment and administrative tasks and organisation. Then comes Chapter 10 which deals with land reform, agrarian reorganisation, the development of co-operation, community development, etc.. We may, therefore, divide these into four or five groups for consideration, while in the course of discussion general observations will, of course, be made on the first three chapters because they deal with the whole approach to the Plan.

Now, the more one considers planning, the more one sees its complexity and is fascinated by it. New problems arise for us to consider at every step. At the same time, the more we think the more self-assurance we have; the more we come to believe that we can do this and do that effectively, ultimately that belief means belief not merely in ourselves as such but in our people. Speaking for myself, I should be gaining greatly in confidence in our people in regard to this planning even though the problem has become bigger and bigger. As the problem has become bigger, so our thinking has grown to some extent bigger and our feeling about the ability of the country to tackle the problem has also grown with it. A problem often arises—one of the important aspects of it—about the gaps in this programme, especially gaps in regard to the things we have to obtain from outside involving foreign exchange. Now, that is an important factor. Nevertheless, I think we should not base our programme or our thinking too much on the ability

to get foreign help. I am not opposed to foreign help at all. What I mean to say is, it is rather the approach to this question. If our approach is that this cannot be done without foreign aid, it is, I think, psychologically wrong and practically wrong. While accepting foreign aid when required, we should not make too much of it.

Now, in the First Five Year Plan we laid stress on the production of food and the river valley schemes which were also partly meant for food production. We shall have to continue to give the greatest importance to food production. That is to say, in a sense the whole Plan depends upon food being relatively abundant and its price not being high. These are vital factors because if food becomes scarce and prices go up, then all our planning is affected. All our calculations are affected, apart from the human and psychological aspects, apart also from the fact that we have to spend much more money in importing foodgrains. Therefore, an increase in our production of foodgrains is of the highest importance. There have been in the past few days some indications in the Press that we are very seriously short of foodgrains. That is not correct, as you know. It is true that we are importing some food-grains but it is completely wrong to say that somehow we have been caught napping and we are very short. We are going to import chiefly because we want to build up our stocks. But the point is that in future we have to make sure that our food, that our production of foodgrains is quite adequate and that prices remain at a fair level, neither too low, which affects the agriculturist and not at any level which tends to increase prices everywhere. Now, in this matter the Food Ministry and all the States, Ministries dealing with these problems are naturally deeply concerned because all their economy will depend ultimately on how much food they grow. Our Community Projects and National Extension Service schemes are, I think, among the most promising and encouraging things that we have done and which are revolutionary, I think, in their content and in their results, revolutionary in the sense that they are changing the mind and to some extent the habits of the countryside.

I attach the greatest importance to them and I am glad that in this Plan we hope to cover a very great part of India with them. Now, while these community schemes have made great progress in many ways, I think it will be a good thing if even these Community Projects and N.E.S. blocks were to devote a little more thought to the production of food. After all, that was the primary objective of these projects. They have done so indeed and results have flowed from it, emphasising something that everybody knows. Our food production has gone up not merely because of the additional land coming under cultivation but because of intensive cultivation and greater yields per acre. The Deputy Chairman reminded me of this vital importance of the food sector, of more food-grains and prices being kept at a steady level. Now, I would suggest, subject to your concurrence, that we might have a discussion on the first three chapters of this Report, which deal with the general principles, the approach to planning, etc.

Well, I must thank you—all of you. It is obvious that when we meet to consider this big Report it is not possible for us to deal with it page by page or to consider every item in it. The questions raised in the Report—it is not really a question of a plan for industry or this or that—but something very big, affecting every sector of activity in India. Whether we as Ministers of the Central Government or State Governments are big enough for the task, I do not know. But the task is a big one. There is no doubt about it, and one of the biggest that exists anywhere in the world. It is big not only because of the bigness of the country, but because of our desire to go ahead starting from, well, not scratch of course, but still a very low level. It is easier to go ahead when you have advanced and acquired some momentum. We had something worth while, I think, in the First Five Year Plan. We did, both practically and psychologically, make good, but that was only the beginning. This Second Five Year Plan marks the real beginning. It is difficult to prophesy but I should imagine that we shall require two more plans, i.e., the Second and the Third Five Year Plans to be firmly established and to produce that

momentum in our life and our economy in order to be able to go ahead almost self-propelled. I think we require ten years. We should take a realistic view. After that, of course, the progress will be continuous with every five years or even every year, but I think that probably the main difficulties and the main hurdles will have been crossed within the first ten year period. If you look at the world as it is, potentially speaking, we have greater resources than probably any country except three or four—resources in capacity, human beings, in materials and other matters. Of course, other qualities are required too—and it is a question of utilising those resources, among which an essential factor is the capacity to view the problem as a whole, now and in perspective, the capacity of each one of us to look at it from this larger point of view. We are here—some of us as Ministers of the Central Government, members of the Planning Commission and Chief Ministers of States. We may have come from different States, but I think, sitting here in this National Development Council while thinking of the problems of our States we really should function not as representatives of the States but as representatives of India, looking at the entire picture all the time in so far as we can and realising that India can only progress by this joint effort and consideration of problems and that good can only come out of the good of the whole and not of the part.

We have approved this report which is the result of great, wide-spread efforts and long consultations. It does represent a great deal of concentrated labour, not of the Planning Commission alone but of the State Governments at various levels. We have had the active advice of others, too, from outside but it is essentially the result of our labour—of a vast number of people in India. It is an approved report, free from criticisms as stated by many of us. If we want it to progress, we shall have to avoid any attempt to improve it according to our own lines of thinking, our individual judgement. That is the essence of democracy and of joint working of a common plan. It is even said that we must put ourselves on some kind of war footing, which

I take it means that, apart from the necessity of active co-operation, the war becomes the dominant feature, and everything else is subordinated to the success of war. In doing so, many things are sacrificed—apart from material sacrifices, even opinions and convictions are to some extent sacrificed in looking at it from that point because if in that war the country loses then not much good will accrue to anybody. Well, in that respect whether we call it a war-footing or not, the fact is that we have to develop two attitudes of mind—one giving supreme importance to the co-ordinated approach of the plan as a whole and secondly being courageous enough to suppress ourselves because it required courage to do so when suppression is necessary for the wider good.

I am very grateful to all of you, but I wish you to realise that this is not the end of a process or of a journey but the beginning of a difficult and tremendous undertaking. I wish you well in your efforts.

DEBATE ON THE SECOND FIVE YEAR PLAN

Sir, some days ago, I had the honour of presenting to the House the report of the Planning Commission on the Second Five Year Plan. I presume that many Members have read or at any rate partially read this report in the meantime.

I have now the honour to move the following Resolution :

“This House records its general approval of the principles, objectives and programmes of development contained in the Second Five Year Plan as prepared by the Planning Commission.”

It has been agreed informally that the debate on this very important subject should continue in the next session, because we are anxious that the House should be given the fullest opportunity of expressing its views on the report on the Second Five Year Plan. It is also generally agreed that on this occasion, attention should be paid more especially to general principles and to the approach as contained in the first eight chapters of this report.

Those hon. Members who have read the report will probably not have found it light reading. A report of this type can hardly be termed light reading although, I believe, there are many parts in it which make exciting reading. Few of us can say that we agree with every single word of this report, with every single proposal. A report of this type is the product of a great deal of labour on the part of a great many persons, not only Members of the Planning Commission, but the vast number of other people who

Speech delivered in the Lok Sabha initiating the debate on the Second Five Year Plan, on May 23, 1956.

have been consulted, experts in our own country and from foreign countries, different groups, representatives of various interests and professions. In fact, it is the product of the joint labour and thinking of a very large number of people in this country. As with all joint products, there is an attempt to meet various view-points. In any event, I hope that this House will view this report as a whole and from the point of view of a unity of approach, objectives, methods and principles underlying it and not so much from the standpoint of detailed programmes. It is open, of course, to any hon. Member to criticise or to make suggestions about any part of the report whether it relates to principles or to details. But, I submit that the important thing is to get hold of the main principles. I propose, therefore, to deal with certain broad principles only.

The subject which concerns this report is obviously not only of the highest importance but something that, in me, produces great excitement. It is an exciting subject because it deals with the future of 360 million people, and, to some extent, that future will affect the future of other countries and even of the rest of the world. Therefore, it is an enthralling and exciting subject. We read the history of India. We have a long history with many ups and downs. Now, we are concerned with the shaping of the future of India. Surely, there could be fewer more exciting subjects than this. It is, therefore, with a sense of the burden of history upon me, upon us, upon this House, that I face this problem. It is also with a great sense of humility, because, however great, however competent we may consider ourselves to be, we are small in relation to this mighty theme, that is, the building up of India, taking this country and its millions of people forward over the next five years.

Five years, I say. This is only some kind of a period that we fix for our convenience, because there are no periods in the march of a nation. It is a continuous march. We must really think in terms of even larger periods, one, two, three, four Five Year Plans. This is the second. Nobody thinks that by the end of the second Plan, we shall have reached the end of our journey. There is no end of a jour-

ney where a nation is concerned. Nevertheless, leaving out the final ends, even such ends as we envisage, the objective that we have, the objective of a socialist pattern of society, we are not going to achieve at the end of the first Five Year Plan nor even the second. It may require three, four Five Year Plans before we can say with some confidence that we have very largely achieved it. Therefore, we must keep this larger perspective in view. In planning especially, we are apt sometimes to forget the larger perspective and lose ourselves in details, lose ourselves in some particular aspect of it which is of importance and yet which may very well come in the way of the larger perspective that we should have.

The question arises—an important question—of regional development. Now, we are all agreed that there should be an even development all over India, even regional development. We are all agreed that the disparities, not only as between individuals in regard to income, but in regard to the various areas in India should be removed, that there should be equality of growth and opportunity all over India. That is true. But, if we start applying that principle regardless of the other objectives and perspectives, the whole Plan might be jeopardised. We may not have very much to give to any region. Therefore, in looking at the Five Year Plan, we have to think really of several Five Year Plans. That is why it is becoming more and more important, in addition to the period we are dealing with, to have a longer perspective of time in view.

Now, this Five Year Plan necessarily deals with, what might, broadly speaking, be called material objectives. They are very important, because it is on the basis of certain material achievements that you build other achievements. It deals, to some extent, no doubt, with culture and like matters. Nevertheless, it confines itself chiefly to material advances. That does not mean that we in this House attach no importance to other aspects of human life. Indeed, all the material advances that we may achieve may perhaps be worth nothing, and may avail us little, if we forget the other aspects of human life, moral, spiritual and other. I mention

this merely because we have always to keep that in view unless somebody should say, here is your Five Year Plan and you talk only about material advances and not about other matters. It is not because we do not attach value to these other matters, but because we have to deal with these in a certain order. The others have to be kept in view. It is right at any time that we should keep in mind moral and spiritual values. Perhaps, it is even more appropriate on this occasion today, when we are on the eve of the celebration of the anniversary of a very great man, a great son of India, that we should remember those moral and spiritual values, which ultimately give content to the life of an individual as to that of a nation.

Now, coming to this particular report, the first thing I should like this House to consider for a few seconds, and the report speaks a little about it, is the present day world. We stand in the middle of the twentieth century, and it has brought about tremendous changes all over the world. There have been wars, great wars, revolutions and the like. Anyhow, the world has greatly changed, and what is more important, it is continually changing. The pace, the tempo of change is tremendous. Any plan that we make like this Five Year Plan is subject always to the great changes, political, economic, technological and the like, that we are undergoing.

I shall not refer to political changes, but the most revolutionary change that the wide world has seen is the technological revolution that has changed the world in the last few generations. But there is one aspect of this vast technological revolution which perhaps is not always present in our minds.

All of us who think of these problems or any other problem probably have some kind of ideology, some kind of philosophy of life. We may not be philosophers, but without some kind of philosophical or ideological approach, we shall have no yardstick by which to measure things. And yet, one aspect stares us in the face, namely, that the ideologies and the philosophies of life that we adhere are somehow not in accord with the middle of the twentieth

century. It may be, of course, that though facts change and circumstances are different, we still cling to the lines of thinking that we previously had, because the human mind is singularly conservative, and it does not easily change.

The major fact of the past few years, and the major fact of today, is the stupendous advance of technology. Everything flows from it, whether it is the atomic bomb or the tremendous colossal growth in production, which is greater than anybody has ever envisaged previously.

Here is this patent fact, the tremendous growth of technology, the tremendous growth of the productive apparatus of society, the tremendous power that human beings possess and are likely to possess, atomic power energy, etc. These things are not merely quantitative changes, but they also bring about qualitative changes in society. And the previous theories we held in regard to them, therefore, have to be considered from the point of view of this qualitative change.

I do not mean to say that we should reject everything we thought previously, but we have to modify it and adapt it to fit in with the technological changes.

In India, of course, we have not been very powerfully affected by technological processes, and we have no real experience of these tremendous technological revolutions. Consequently, it is a little difficult for us to appreciate the great revolution. But it is the basic fact, and when we talk of planning, we have to think in technological terms, because it is this growth of science and technology that has enabled man to produce wealth which nobody could ever have dreamed of. It is that which has made other countries wealthy and prosperous, and it is only through the growth of this technological process that we shall grow and become a prosperous and wealthy nation; there is no other way.

Now, if you look at the picture of India and this would apply to many other countries under colonial rule—ten years or twelve years ago—leave out the last few years—you will find a static, even a stagnant society. Yes, some big cities grew up, Calcutta, Bombay and others. But taking the country as a whole, it was a static and stagnant society,

where instead of making progress, either we remained where we were or sometimes we even went back.

I should like to mention a few figures. Take, for instance, this post-war period. In 1948-49, the national income was Rs 8,650 crore, and the *per capita* income Rs 246.9. In the next year, the national income was Rs 8,820 crore, and the *per capita* income Rs 248.6. In the next year, that is, 1950, that is, just before the First Five Year Plan, the national income was Rs 8,850 crore, and the *per capita* income Rs 246—that is, it had slightly come down. You see the national income more or less the same, while the population grows, and has gone on growing.

Now, this was the state of affairs for quite a long period before the First Five Year Plan came into operation for several decades. At the end of the First Five Year Plan, we have a national income of Rs. 10,800 crore, meanwhile the *per capita* income has gone up from Rs. 246 to Rs. 281. Nothing very remarkable, but nevertheless significant.

As I said, there have been far greater increases in other countries; the pace of increase has been much greater. Nevertheless, the First Five Year Plan made a significant change in the nature of our static and stagnant economy. It broke the barrier of poverty and under-development, which is the curse of a poor country, out of which it can hardly grow, because poverty breeds poverty; poverty does not lead to anything; it is a horrid thing. If we have to get out of it, we have to break that barrier which holds us back. The First Five Year Plan has made the first effective breach in that barrier in regard to national income and in regard to the *per capita* income.

Now, in the Second Plan, we have to make a bigger breach. In the other countries, it so happens, of course, that the old rule prevails, unto those that have, more shall be given, and from those that have not, perhaps even what they have may be taken away. So the poor countries remain poor and the rich countries become richer and richer, more surpluses, more investments, more production. So it goes on. If you compare the rate of progress of some of these countries, it may be 6 per cent per annum, even 10 per cent

or 11 per cent or more—according to the reports we see.

For us, we aim at 5 per cent in this Plan, and 5 per cent is going to be hard for us to achieve. We will have to work very hard, because we started at such a low level, with such low surpluses. India is almost on the lowest rung of the income ladder. Even China, I believe, is a little higher. Even in Russia at the time of the Revolution it was much higher than in India today.

I should now like to read you something in the Report, how we envisage, how the Planning Commission thinks of the future. Naturally, it is guess work, an estimate; nevertheless, it is based on such thinking and statistics as we possess. I have told you that at the end of the First Five Year Plan period, the national income was Rs. 10,800 crore. Now, at the end of the Second Plan period, we expect it to reach Rs. 13,480 crore; so also the *per capita* income to go up from Rs. 281 to Rs. 331. For the Third Plan period, we envisage our national income as going up to Rs. 17,260 crore and *per capita* income to Rs. 396. For the Fourth Plan—that will take us to 1971—the national income is expected to go up to Rs. 21,680 crore and the *per capita* income, to Rs. 466. Finally, at the end of the Fifth Plan—up to 1976—the national income is expected to be Rs. 27,270 crore and the *per capita* income Rs. 546. This is a rough estimate of what we think the progress of India will be in the next 20-year period.

Now, as I said, this depends on so many factors that are more or less uncertain. This whole idea of the Planning Commission may turn out to our advantage owing to new developments in science and technology. The Planning Commission cannot tell us what scientific and technological developments will come about. We may, therefore, go ahead faster. On the other hand, if by some misfortune, we cannot, well, work as hard as we hope the country will, we may not achieve our target.

We have often said that this Plan is a flexible Plan. What does that mean? It does not mean that it is just a vague Plan for us to change about and throw about if we cannot achieve our target, well put down a lower one or extend the period by another year or two. It does not

mean that. Naturally, if owing to *force majeure* it becomes absolutely impossible for us to do something, there it is. But when I say the Plan is flexible I do not mean that the targets that we have laid down are vague targets. We want to achieve them; we are going to try to achieve them, and sometimes we shall go ahead of them.

I may tell the House that even after the preparation of this Report there was a change. While it was being considered by the National Development Council, just before we went to press, it refused to accept one of the main targets that we had laid down, something of vast importance to us, the target for the production of foodgrains. The National Development Council refused to accept the target laid down. It thought it was too low. It directed that it should be raised, not raised by a little, not doubled or trebled. The figure that is given in the Report, I believe, is 15 per cent additional food production in the next five years. The National Development Council, I am glad to say, thought this was totally inadequate and we must try to achieve an increase of at least 35 to 40 per cent. It is a tremendous change from 15 to 40 per cent. Were we just indulging in wishful thinking? I do not think it is wishful thinking. I think it is possible for us to attain, and if not 40 per cent, at least something like 35 per cent. Anyway, it is far more than 15 per cent.

So the House will see that even as the Report is being prepared, and even as we, here in Parliament, are considering it, our minds go further. We think afresh, we think more and more, we want to vary it here and there, change it for the better, I hope, always. In that sense, it is flexible. We shall consider the Report every year, review the targets, and if we think it right, vary them.

During the next session, I hope to present to this House a Report of the Annual Plan of the first year of the Second Five Year Plan. So every year, a Report of the Annual Plan will be placed here which will give you a more precise indication of the targets for the year.

Now, we have said that our objective is a socialist pattern of society. I do not propose to define in precise terms

what socialism in this context means, because we wish to avoid any doctrinaire thinking, any rigid thinking, because even in my life time I have seen the world change so much, and I have seen so many other changes that I do not want to confine my mind to any rigid dogma. But broadly speaking, what do we mean when we say our objective is a "socialist pattern of life"? Surely, we mean a society in which there is social cohesion, which is without classes, where there is equality of opportunity and the possibility for everyone to live a good life. Obviously, this cannot be attained unless we produce the wherewithal to achieve these standards to enable us to lead that good life. So, we have to lay great stress on equality, on the removal of disparities, and it has to be remembered always that socialism does not consist in the spreading out of poverty. The essential thing is that there must be wealth and production. There is a good deal of talk about ceilings, and it is a talk with which one naturally tends to agree because you want to remove disparities. But one has always to remember that the primary function of a growing society is to produce more wealth; otherwise it will not grow, and you will have nothing to distribute. If in the process of your fixing of ceilings or in any other process or methods of producing some kind of equality which is so necessary and at which we are aiming, you stop this process of growth and accumulation of wealth, then you fail in your objective. Therefore, whether it is in industry or in agriculture, the one and the primary test is, whether in the process of development you are going in for more and more wealth for the country, for increase in the production of the country or not. If not, you become stagnant in that field and your progress becomes limited. In other words, in order to reach equality, as I hope you will, some time or other, with an automatic ceiling with everybody having equal opportunities. The road to it, however, is not by some artificial fixation but by a hundred different paths which will gradually bring it about. Certainly the result will be the same, but an artificial attempt at achieving the ceiling may prevent it from reaching the goal and meanwhile reduce the rate of your progress

and your growth. Remember this that while we plan, while we work, we grow in population also. I believe I gave the House just now the estimated figures of our national income in the next 20 years—in the next 20 years the population of India will be round about 500 millions. Please remember that the rate of growth of population is not very great; it is far smaller than in many countries in Europe and elsewhere. It is not that the rate is very big, but when a big population grows, naturally the result is that it becomes very large, 70 millions more annually. Therefore, there is always the question of the pressure of population, and all that you produce has to be produced not only for those who are here today but for those who are being added to us by the million. Therefore, the rate of our economic development will depend on the growth of the population, the proportion of investment or the proportion of the current income of the country devoted to capital formation and the return by way of additional production. Obviously, the most important factor is the amount that you invest in relation to the national income. That percentage is always small in underdeveloped countries. It is a big percentage in a country which is fully industrialised and developed. Yet, we have to increase it, we have to look at the problem in a balanced way so that the developments in the different fields keep pace with one another and do not become a lopsided development. We have to keep these long-range perspectives in view.

Clearly, one of the major problems we have to face is that of unemployment. It is a terrific problem, a human problem, which we cannot ignore whatever else we may do. Yet in looking at it, it has to be remembered that merely giving some kind of occupation to a large number of people does not ultimately increase employment or lessen unemployment. We delude ourselves if we think so. An Hon. Member of this House remarked something like this recently: How would it be if the railways were abolished to give employment to a large number of people? Probably there would be some kind of hand carts, many people would be pushing them and some no doubt would be sitting

in them ! That is a completely wrong approach to the problem of employment. Employment comes by newer and more effective means of wealth production. The whole experience and history of the past 200 years shows that it comes through the growth of technological methods. It is true that you cannot think of technological growth only for the moment; it leads to human misery. That is a different matter. Do not imagine, however, that we can effectively deal with the problem of unemployment without technological progress. We cannot. Every country which boasts of full employment today is a country which is technologically advanced. Every country which is not technologically advanced has unemployment or under-employment.

Therefore, if India is to advance, she must advance in science and technology, and India must use the latest techniques, always keeping in view, no doubt, the fact that in doing so, the intervening period, which is inevitable, must not cause unhappiness or misery. We have to provide for that even at the cost of progress because that anything that brings sufferings and misery in its train is no progress. But the fact is that our poverty is due to our backwardness in science and technology, and by the measure that we remedy that backwardness we create not only wealth but also employment.

Gradually, through the painful processes of thought we have proceeded along the path of planning. And I have no doubt that we ought to continue this and learn more and more, often make mistakes, nevertheless growing progressively a little more expert at this business of planning. We want to arrive at a stage when we can assess, more or less accurately, what the next stage is going to be and to provide for it and to visualise our problems in advance, to take appropriate action to meet them before events force our hands. After all, that is the object of planning. And there are people who do not believe in planning—progressively they are fewer in the world—people who believe in what is called free enterprise, but even they are gradually realising the limitations of free enterprise. Of course, in

a country like India, situated as we are, there is, or there can be, no question of free enterprise in the accepted sense. Circumstanced as we are, I am quite certain that an unplanned approach, according to what is called free enterprise, would not allow us to progress at all, or if it did, it would be lop-sided progress. Of course, we can put up factories here and there, monopolies may be created, riches here and greater poverty there. That is not what India aims at. Even so the total wealth production of the country will not be as much as through planned effort. That is patent; it requires no proof. The essence of planning is how best to utilise your resources in men and money and everything else; and the essence of free enterprise is to leave these things more or less to chance. Well, if chance is a more satisfactory way of dealing with the problems of life than carefully thought out methods, I do not quite know why there should be planning or anything at all. It means trusting to luck or it is only a different way of putting, I suppose, the old idea of *kismet* or fate. That, of course, is no good.

Therefore, all over the world the idea of planning is gaining ground. It is now recognised by almost everybody that for an underdeveloped country planning is essential. In a developed country it may not be so necessary, you can perhaps do without it, but there is no other way but planning for an underdeveloped country like ours. And when I say planning I mean planning, not in the limited sense of priorities and the rest, with the full picture of almost every human activity that you engage in, because each action affects the other.

Now, again, India is part of South Asia which is more or less undeveloped. Consequently, even the progress and development of India necessitates the development of other countries in the neighbourhood of India. I do not mean to say that we cannot develop without those countries developing, or that we should interfere in other countries. That is not my point. My point is that it is to our interest that other countries should develop also. It is a completely wrong

idea and an exploded notion that if other countries develop they come in your way. This idea is applicable only in a colonial pattern of society where you want to buy cheap raw materials from a country under your influence and sell your goods in a protected market. It does not apply to free countries. So it is to our interest that other countries in Asia and Africa should develop also. Of course, politically this has been to our interest, but I venture to say economically, too, it is to our interest. We cannot, unfortunately, help them much, because our resources are limited. But the House knows that even with our limited resources we have done what little we could to help our neighbour countries and other countries in Asia and Africa.

Now, I mentioned that we intended raising the target of our agricultural production. This is not only because we want more food, an adequate supply of food in this country, but because we want more food for export. Let that be understood. I do not think this should be beyond our capacity.

This brings me on to the question of foreign exchange. How are we to get it? Well, the normal way to get foreign exchange is to export goods. We cannot live in expectation of the bounties of others. If somebody helps us, we welcome this thankfully, but we do not plan merely in the expectation of others being bountiful. Therefore, it becomes essential for us to export, whether it is foodgrains or industrial products or machines or whatever we may have. And we have to think more and more in terms of exporting, so as to import what we want. There is no other way out of it. I believe that if we pay enough attention to export, we can go much further than has thus far been envisaged.

The other day my colleague, the Minister for Commerce and Industry, laid stress on the necessity for export. I wish this House to realise that, and I wish it to realise also that if we are going to export in a big way, we shall have to import also. This cannot be a one-sided affair; one has to balance things.

And let it not be thought that this is going to be a

burden on us, because ultimately our wealth producing capacity in this country will increase. Therefore, we should certainly think in terms of more and more exports and build up markets, and build them up more and more in terms of State trading, so that we can profit by it for purposes of future expansion.

Now, agricultural production has a very special importance. First of all, there can be no real stable industrial economy in this country without a stable agricultural base. We thought of that in the first Five-Year Plan, and we paid considerable attention to agricultural production and we made more progress than we had expected. In fact, that gave us confidence for the future. As I said, we intend to have another forty per cent increase, which is a great deal, but we can achieve that target, because our agricultural production today is almost the lowest in the world. In fact, we have shown in some parts of India that we can increase our agricultural production a hundred-fold, although it is true that we cannot fix the target of production for the whole of India on the basis of a model farm. Now we want to increase agricultural production by 40 to 50 per cent on an average and I have no doubt we can achieve this if we can apply enough thought and energy to it. That again I think is one of the things that should be made the special work of our community schemes.

Our community projects and national extension service schemes already cover about 130 thousand villages in India and they will cover about 50,000 more every year; may be more. As the House knows, these community schemes of India are something unique in the way they have functioned. They are something that has grown out of the soil of India. We have learned from others certainly, but having grown out of the soil of India they are peculiarly adapted to this country. I do not believe in imitating or copying other countries regardless of conditions in India. Therefore, something which grows in India is far more effective than something foreign imposed on India. These community projects and national extension service schemes have,

I think, created wherever they have gone, a revolutionary atmosphere in our countryside. I use the word 'revolutionary' in the true sense of the word and not in its bogus sense. That is, it has changed the thinking and the activities of the people. It is drawing them out of the rut of passivity and stagnation in which our villages live.

Thus far, these community projects and others have aimed at what might be called 'amenities' like roads, tanks, wells, school buildings and so on. Perhaps it was right to do so because we have to create the proper atmosphere. People should see that what they do produce brings results. Still, some attention was paid to the production of food also and in all the community project areas the increase in food production has risen by 20 to 25 per cent in the last three years, which is considerable. And this, when they were not paying very special attention to it.

Now we want them to pay special attention to food production and to the growth of small-scale and cottage industries. That means two things, industrial and agricultural production. I have no doubt that in these areas our agricultural production should increase rapidly, and reach at least the target of 40 per cent we propose to lay down for the next five years.

Now, I shall refer to one or two other matters; they are very important. They bear on questions of administration and organization, more particularly on the management of public enterprises as the public sector is growing and will grow. Here, may I say, that while I am in favour of the public sector growing, I do not understand, or, at any rate, I do not appreciate, the condemnation of the private sector. The whole philosophy behind the present Plan is to take advantage of every possible way of growth and not to do something which fits in with some doctrinaire theory. We must not imagine that we have grown up because we have satisfied some text-book maxim of a hundred years ago. We talk about nationalisation as if it was some kind of a magic remedy to every ill. I believe that ultimately all the principal means of production will be owned by the

nation, but I just do not see why I should do something today which will hamper my progress, my increasing production, simply to satisfy some theoretical belief. I have no doubt that at the present stage in India the private sector has a very important task to fulfil provided always that it works within the limits laid down, provided always that it does not lead to the creation of monopolies and the other evils that the accumulation of wealth gives rise to. I think our laws are powerful enough to keep the private sector in check. We are not afraid of nationalising anything. The House knows that even in the last few months we have taken some big steps. Only just a little while ago, the House was dealing with the Bill concerning insurance. These are all big, mighty steps that we have taken and we are not afraid of taking them, but we do not propose to take any such step merely to nationalise, unless we think it is profitable to the nation. On the other hand, we would much rather build up national industries, new ones, rather than pay compensation to all, sometimes to decrepit industries in order to take charge of them. Why should we, in this growing age, in the changing technology and changing techniques, take over any old technique? I would rather have the latest technique and have new factories or new plants and not an old plant unless that old plant happens to serve some strategic purpose, which is a different matter; and in that case I do this because I want to hold the strategic points in our economy. Therefore, I should like the House to appreciate that the philosophy behind this report is, the public sector and the private sector are made to co-operate within the terms and limitations of this Plan.

The public sector will control and should control all the strategic points in our economy. The private sector, as we have stated in the industrial policy resolution, will be given a fairly wide field, and it is for us, from time to time, to decide how to deal with that sector in the future.

But the point is that the field for advance is so vast. We are an underdeveloped country. The field for industria-

lisation is occupied by nobody. Let us advance; let the public sector advance.

To turn to oil. Oil, every one knows, is of vast importance in the world today. A country that does not have its own oil, does not produce its own oil, is in a weak position, not to speak of the colossal amount of money that goes out in foreign exchange for the purchase of oil. From the point of view of defence, the absence of oil is a fatal weakness. We want to develop the oil industry. The House knows that we have proposed to do this and we are in fact doing this. I cannot guarantee how much oil we will have to refine in India. All I can say is that the prospects appear to be favourable. If the prospects are favourable in ten places, and if in the seven or eight of them we get nothing and if we get something out of the two or three, those two or three will bring us enough returns to cover all the failures and much more. Therefore, the prospects are favourable. We have to spend money on these things. It is not an easy matter to find more money. But we have to spend it because oil is of vital importance. There may be other matters which are important not only from the point of view of developing our basic industries, but also from that of certain essential commodities. The machine making industry is, of course, of basic importance. Out of it everything else comes. It is quite essential that we should develop the machine making industry as early as possible. It takes time. We are considering how far we can go, how fast we can go in establishing big chemical plants and drug making plants, all in the public sector. I want this House to realize how a vast, unexplored, at least unoccupied field lies there for the public sector to operate on. We do not mind if the private sector advances also, provided that in the major basic things, in the strategic things, the public sector holds the field.

There has been some criticism, and even in the National Development Council one solitary voice was raised criticising this Plan, because it was said that it was unfair to certain regions, because some railway had not been built in

some part of the country, or some factory had not been put up in some other part. This morning, this question was raised again in the other House and I could not answer it. It is admitted that there should be every attempt to make every region, every part of India develop equally in so far as we can, and that we should remove the disparities that exist in India. There are some tremendous disparities. Some of our provinces, I would not name them, are extremely poor. They do not deserve to be poor. In the British days, other parts were developed. Great cities grew up, not so much as industrial centres, but as parts. We want to remove these disparities. We cannot do this suddenly. It takes time. If in the process of trying to remove that disparity, suddenly we do something which is uneconomic, then we are merely adding to our burden. There are some plants which can only be started in particular environments. We cannot have an iron and steel plant except where there is iron ore or coal. There is no help for that. We cannot have something else unless some other raw material is present, or unless transport facilities are there. These have to be considered. In regard to most of our major plants, we have appointed committees consisting of our own experts and sometimes foreign experts. They have gone about visiting 20 to 30 places and they have recommended some places. We have tried our utmost to allot a plant to an area where there are perhaps few industries. But, by and large, we have been unable to ignore the other factors which will make that plant an economic proposition for that area. If we put it in a wrong place, the plant cannot be an economic proposition. This has to be considered. Some friends have complained, you have put it up in one State and not in another State. Their complaint is justified in the sense that we have to develop that State. We cannot help putting up a plant in a place where it will be most successful, because success comes through production.

Another question often comes up in this House. How can Parliament control the public sector? Well, one can very well understand the desirability and even the necessi-

ty of proper controls, of checks and controls over these vast undertakings where hundreds of crores of rupees are spent. But there is one aspect of this question which I should like to lay before the House.

The way a Government functions is not exactly the way that business enterprises normally function. A Government rightly insists on all kinds of checks, as it deals with public money, and perhaps it has the time to apply those checks. But when one deals with a plant and an enterprise, where quick decisions are necessary, which may make a difference of large sums of money, which might mean the difference between success and failure, the way a Government functions is not always suitable. And I have no doubt that the normal governmental method of work applied to a public enterprise of this kind is quite likely to ensure its failure because of the delays, because of the other limitations of working.

Therefore, we have to evolve a system for working public enterprises, where on the one hand there are adequate checks and protections and on the other there is enough freedom given to that enterprise to work quickly. Ultimately judge it by its results.

It is interesting to see countries where there are public enterprises and everything is a public enterprise, and there they have arrived at this conclusion that you must give freedom to the man, to the executive, in charge. Tremendous freedom is given there. Of course, if there is a major loss, if the whole enterprise goes to pieces, then the man in charge will suffer no doubt. But the point is, he is given responsibility. Every person who has advised us, whether it is an American like Dr. Graham, or a great Russian leader like Mr. Mikoyan, has told us, do not interfere with your enterprises, give them responsibility, give your executive responsibility, do not interfere. Mr. Mikoyan came to me—you know the Russians are putting up a steel plant, it is only at the initial stage yet, but in discussing it he said, 'You do not mind my saying this. But if you do not trust your executive, do not give him fuller responsibility, the

work will be delayed, and you will suffer.' He said, 'we have come to the conclusion after considerable experience that we must trust our executives and allow them to go ahead'. Of course, there are all kinds of checks, financial and others, but checks come afterwards. But the chief man must be able to do what he wants to do quickly.

If we are to go in for public enterprises in future in a big way, we must realise this fact. We cannot sit down every day and control public enterprises from Parliament. This cannot be done. Sometimes it may be useful; you save some money, but you will lose a great deal of money and the enterprise will not prosper and it will become static, a bad thing for a growing industry.



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